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Vol. XLII, No. 1093

June 6, 1960

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THE DEPARTMENT OF STATE

Bulletin

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June 6, 1960

The Department of State BULLETIN, a weekly publication issued by the Office of Public Services, Bureau of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

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President Eisenhower Reports to the Nation (Collapse of Summit Conference)

*Address by President Eisenhower*¹

My fellow Americans: Tonight I want to talk with you about the remarkable events last week in Paris, and their meaning to our future.

First, I am deeply grateful to the many thousands of you, and to representatives in Congress, who sent me messages of encouragement and support while I was in Paris, and later upon my return to Washington. Your messages clearly revealed your abiding loyalty to America's great purpose—that of pursuing, from a position of spiritual, moral, and material strength—a lasting peace with justice.

You recall, of course, why I went to Paris 10 days ago.

Last summer and fall I had many conversations with world leaders; some of these were with Chairman Khrushchev, here in America.² Over those months a small improvement in relations between the Soviet Union and the West seemed discernible. A possibility developed that the Soviet leaders might at last be ready for serious talks about our most persistent problems—those of disarmament, mutual inspection, atomic control, and Germany, including Berlin.

To explore that possibility, our own and the British and French leaders met together, and later we agreed, with the Soviet leaders, to gather in Paris on May 16.

Of course we had no indication or thought that basic Soviet policies had turned about. But when there is even the slightest chance of strengthening peace, there can be no higher obligation than to pursue it.

Nor had our own policies changed. We did hope to make some progress in a summit meeting, unpromising though previous experiences had been. But as we made preparations for this meeting, we did not drop our guard nor relax our vigilance.

Our safety, and that of the free world, demand, of course, effective systems for gathering information about the military capabilities of other powerful nations, especially those that make a fetish of secrecy. This involves many techniques and methods. In these times of vast military machines and nuclear-tipped missiles, the ferreting out of this information is indispensable to free-world security.

This has long been one of my most serious preoccupations. It is part of my grave responsibility, within the overall problem of protecting the American people, to guard ourselves and our allies against surprise attack.

During the period leading up to World War II we learned from bitter experience the imperative necessity of a continuous gathering of intelligence information, the maintenance of military communications and contact, and alertness of command.

An additional word seems appropriate about this matter of communications and command. While the Secretary of Defense [Thomas S. Gates, Jr.] and I were in Paris, we were, of course, away from our normal command posts. He recommended that under the circumstances we test the continuing readiness of our military communications. I personally approved. Such tests are valuable and will be frequently repeated in the future.

¹ Delivered by television and radio on May 25 (White House press release; as delivered).

² BULLETIN of Oct. 12, 1959, p. 499.

Moreover, as President, charged by the Constitution with the conduct of America's foreign relations, and as Commander in Chief, charged with the direction of the operations and activities of our Armed Forces and their supporting services, I take full responsibility for approving all the various programs undertaken by our Government to secure and evaluate military intelligence.

It was in the prosecution of one of these intelligence programs that the widely publicized U-2 incident occurred.³

Aerial photography has been one of many methods we have used to keep ourselves and the free world abreast of major Soviet military developments. The usefulness of this work has been well established through 4 years of effort. The Soviets were well aware of it. Chairman Khrushchev has stated that he became aware of these flights several years ago. Only last week, in his Paris press conference, Chairman Khrushchev confirmed that he knew of these flights when he visited the United States last September.

Incidentally, this raises the natural question—why all the furor concerning one particular flight? He did not, when in America last September, charge that these flights were any threat to Soviet safety. He did not then see any reason to refuse to confer with American representatives.

This he did only about the flight that unfortunately failed, on May 1, far inside Russia.

Now, two questions have been raised about this particular flight: first, as to its timing, considering the imminence of the summit meeting; second, our initial statements when we learned the flight had failed.

As to the timing, the question was really whether to halt the program and thus forgo the gathering of important information that was essential and that was likely to be unavailable at a later date. The decision was that the program should not be halted.

The plain truth is this: When a nation needs intelligence activity, there is no time when vigilance can be relaxed. Incidentally, from Pearl Harbor we learned that even negotiation itself can be used to conceal preparations for a surprise attack.

Next, as to our Government's initial statement about the flight, this was issued to protect the pilot, his mission, and our intelligence processes,

at a time when the true facts were still undetermined.

Our first information about the failure of this mission did not disclose whether the pilot was still alive, was trying to escape, was avoiding interrogation, or whether both plane and pilot had been destroyed. Protection of our intelligence system and the pilot, and concealment of the plane's mission, seemed imperative. It must be remembered that over a long period these flights had given us information of the greatest importance to the Nation's security. In fact, their success has been nothing short of remarkable.

For these reasons, what is known in intelligence circles as a "covering statement" was issued. It was issued on assumptions that were later proved incorrect. Consequently, when later the status of the pilot was definitely established and there was no further possibility of avoiding exposure of the project, the factual details were set forth.

I then made two facts clear to the public: First, our program of aerial reconnaissance had been undertaken with my approval; second, this Government is compelled to keep abreast, by one means or another, of military activities of the Soviets, just as their Government has for years engaged in espionage activities in our country and throughout the world. Our necessity to proceed with such activities was also asserted by our Secretary of State, who, however, had been careful—as was I—not to say that these particular flights would be continued.

In fact, before leaving Washington I had directed that these U-2 flights be stopped. Clearly their usefulness was impaired. Moreover, continuing this particular activity in these new circumstances could not but complicate the relations of certain of our allies with the Soviets. And of course, new techniques, other than aircraft, are constantly being developed.

Now I wanted no public announcement of this decision until I could personally disclose it at the summit meeting in conjunction with certain proposals I had prepared for the conference.

At my first Paris meeting with Mr. Khrushchev,⁴ and before his tirade was made public, I informed him of this discontinuance and the character of the constructive proposals I planned to

³ For background, see *ibid.*, May 23, 1960, p. 816, and May 30, 1960, p. 851.

⁴ For texts of statements made by President Eisenhower at Paris and upon his return to Washington, together with a French-U.K.-U.S. communique of May 17, see p. 904.

make. These contemplated the establishment of a system of aerial surveillance operated by the United Nations.

The day before the first scheduled meeting, Mr. Khrushchev had advised President de Gaulle and Prime Minister Macmillan that he would make certain demands upon the United States as a precondition for beginning a summit conference.

Although the United States was the only power against which he expressed his displeasure, he did not communicate this information to me. I was, of course, informed by our allies.

At the four-power meeting on Monday morning, he demanded of the United States four things: first, condemnation of U-2 flights as a method of espionage; second, assurance that they would not be continued; third, a public apology on behalf of the United States; and, fourth, punishment of all those who had any responsibility respecting this particular mission.

I replied by advising the Soviet leader that I had, during the previous week, stopped these flights and that they would not be resumed. I offered also to discuss the matter with him in personal meetings, while the regular business of the summit might proceed. Obviously, I would not respond to his extreme demands. He knew, of course, by holding to those demands the Soviet Union was scuttling the summit conference.

In torpedoing the conference, Mr. Khrushchev claimed that he acted as the result of his own high moral indignation over alleged American acts of aggression. As I said earlier, he had known of these flights for a long time. It is apparent that the Soviets had decided even before the Soviet delegation left Moscow that my trip to the Soviet Union should be canceled and that nothing constructive from their viewpoint would come out of the summit conference.

In evaluating the results, however, I think we must not write the record all in red ink. There are several things to be written in the black. Perhaps the Soviet action has turned the clock back in some measure, but it should be noted that Mr. Khrushchev did not go beyond invective—a time-worn Soviet device to achieve an immediate objective, in this case, the wrecking of the conference.

On our side, at Paris, we demonstrated once again America's willingness, and that of her allies, always to go the extra mile in behalf of peace. Once again Soviet intransigence reminded us all

of the unpredictability of despotic rule and the need for those who work for freedom to stand together in determination and in strength.

The conduct of our allies was magnificent. My colleagues and friends—President de Gaulle and Prime Minister Macmillan—stood sturdily with the American delegation in spite of persistent Soviet attempts to split the Western group. The NATO meeting after the Paris conference⁵ showed unprecedented unity and support for the alliance and for the position taken at the summit meeting. I salute our allies for us all.

And now, most importantly, what about the future?

All of us know that, whether started deliberately or accidentally, global war would leave civilization in a shambles. This is as true of the Soviet system as of all others. In a nuclear war there can be no victors—only losers. Even despots understand this. Mr. Khrushchev stated last week that he well realizes that general nuclear war would bring catastrophe for both sides. Recognition of this mutual destructive capability is the basic reality of our present relations. Most assuredly, however, this does not mean that we shall ever give up trying to build a more sane and hopeful reality—a better foundation for our common relations.

To do this, here are the policies we must follow, and to these I am confident the great majority of our people, regardless of party, give their support:

First. We must keep up our strength, and hold it steady for the long pull—a strength not neglected in complacency nor overbuilt in hysteria. So doing, we can make it clear to everyone that there can be no gain in the use of pressure tactics or aggression against us and our allies.

Second. We must continue businesslike dealings with the Soviet leaders on outstanding issues, and improve the contacts between our own and the Soviet peoples, making clear that the path of reason and common sense is still open if the Soviets will but use it.

Third. To improve world conditions in which human freedom can flourish, we must continue to move ahead with positive programs at home and abroad, in collaboration with free nations everywhere. In doing so, we shall continue to give

⁵ See p. 907.

our strong support to the United Nations and the great principles for which it stands.

Now as to the first of these purposes—our defenses are sound. They are tailored to the situation confronting us.

Their adequacy has been my primary concern for these past 7 years—indeed throughout my adult life.

In no respect have the composition and size of our forces been based on or affected by any Soviet blandishment. Nor will they be. We will continue to carry forward the great improvements already planned in these forces. They will be kept ready—and under constant review.

Any changes made necessary by technological advances or world events will be recommended at once.

This strength—by far the most potent on earth—is, I emphasize, for deterrent, defensive, and retaliatory purposes only, without threat or aggressive intent toward anyone.

Concerning the second part of our policy—relations with the Soviets—we and all the world realize, despite our recent disappointment, that progress toward the goal of mutual understanding, easing the causes of tensions, and reduction of armaments is as necessary as ever.

We shall continue these peaceful efforts, including participation in the existing negotiations with the Soviet Union. In these negotiations we have made some progress. We are prepared to preserve and build on it. The Allied Paris communique and my own statement on returning to the United States should have made this abundantly clear to the Soviet Government.

We conduct these negotiations not on the basis of surface harmony, nor are we deterred by any bad deportment we meet. Rather we approach them as a careful search for common interests between the Western allies and the Soviet Union on specific problems.

I have in mind, particularly, the nuclear test and disarmament negotiations. We shall not back away, on account of recent events, from the efforts or commitments that we have undertaken.

Nor shall we relax our search for new means of reducing the risk of war by miscalculation and of achieving verifiable arms control.

A major American goal is a world of open societies.

Here in our country anyone can buy maps and aerial photographs showing our cities, our dams, our plants, our highways—indeed, our whole industrial and economic complex. We know that Soviet attachés regularly collect this information. Last fall Chairman Khrushchev's train passed no more than a few hundred feet from an operational ICBM, in plain view from his window. Our thousands of books and scientific journals, our magazines, newspapers and official publications, our radio and television, all openly describe to all the world every aspect of our society.

This is as it should be. We are proud of our freedom.

Soviet distrust, however, does still remain. To allay these misgivings I offered 5 years ago to open our skies to Soviet reconnaissance aircraft on a reciprocal basis. The Soviets refused. That offer is still open. At an appropriate time America will submit such a program to the United Nations, together with the recommendation that the United Nations itself conduct this reconnaissance. Should the United Nations accept this proposal, I am prepared to propose that America supply part of the aircraft and equipment required.

[At this point, an aerial photograph was shown on the television screen.]

This is a photograph of the North Island Naval Station in San Diego, California. It was taken from an altitude of more than 70 thousand feet. You may not perhaps be able to see them on your television screens, but the white lines in the parking strips around the field are clearly discernible from 13 miles up. Those lines are just 6 inches wide.

Obviously most of the details necessary for a military evaluation of the airfield and its aircraft are clearly distinguishable.

I show you this photograph as an example of what could be accomplished through United Nations aerial surveillance.

Indeed, if the United Nations should undertake this policy, this program, and the great nations of the world should accept it, I am convinced that not only can all humanity be assured that they are safe from any surprise attack from any quarter, but indeed the greatest tensions of all, the fear of war, would be removed from the world. I sincerely hope that the United Nations may adopt such a program.

As far as we in America are concerned, our programs for increased contacts between all peoples will continue. Despite the suddenly expressed hostility of the men in the Kremlin, I remain convinced that the basic longings of the Soviet people are much like our own. I believe that Soviet citizens have a sincere friendship for the people of America. I deeply believe that above all else they want a lasting peace and a chance for a more abundant life in place of more and more instruments of war.

Finally, turning to the third part of America's policy—the strengthening of freedom—we must do far more than concern ourselves with military defense against, and our relations with, the Communist bloc. Beyond this, we must advance constructive programs throughout the world for the betterment of peoples in the newly developing nations. The zigs and zags of the Kremlin cannot be allowed to disturb our worldwide programs and purposes. In the period ahead, these programs could well be the decisive factor in our persistent search for peace in freedom.

To the peoples in the newly developing nations urgently needed help will surely come. If it does not come from us and our friends, these peoples will be driven to seek it from the enemies of free-

dom. Moreover, those joined with us in defense partnerships look to us for proof of our steadfastness. We must not relax our common security efforts.

As to this, there is something specific all of us can do, and right now. It is imperative that crippling cuts not be made in the appropriations recommended for mutual security, whether economic or military. We must support this program with all of our wisdom and all of our strength. We are proud to call this a nation of the people. With the people knowing the importance of this program, and making their voices heard in its behalf throughout the land, there can be no doubt of its continued success.

Fellow Americans, long ago I pledged to you that I would journey anywhere in the world to promote the cause of peace. I remain pledged to pursue a peace of dignity, of friendship, of honor, of justice.

Operating from the firm base of our spiritual and physical strength, and seeking wisdom from the Almighty, we and our allies together will continue to work for the survival of mankind in freedom—and for the goal of mutual respect, mutual understanding, and openness among all nations.

Thank you, and good night.

Western Powers To Continue Efforts for Peace Despite Disruption of Paris Meeting

President Eisenhower arrived at Paris May 15 to attend a meeting of the Chiefs of State and Heads of Government of France, the Soviet Union, the United Kingdom, and the United States. Following are texts of statements he made at Paris, his remarks on his return to Washington, and a communique by the three Western Powers, together with statements by James C. Hagerty, Press Secretary to the President, and by Mr. Hagerty and Andrew H. Berding, Assistant Secretary of State for Public Affairs.

PRESIDENT'S ARRIVAL STATEMENT, PARIS, MAY 15

White House (Paris) press release dated May 15

Once again I am privileged to come to France, this beautiful France, to salute a great people and their leader. I have come here to join with the leaders of France, Great Britain, and the Soviet Union in discussions of historic importance.

The American Government's participation is undertaken not to seek any advantage at another's expense; rather it hopes to prove, equally with any other, its sincere dedication to peace with justice.

Mankind knows that the effects of nuclear war would be not only horrible but universal. Mankind expects the participants in this summit meeting to work honestly and intelligently for measures toward genuine peace.

The hopes of humanity call on the four of us to purge our minds of prejudice and our hearts of rancor. Far too much is at stake to indulge in profitless bickering. The issues that divide the free world from the Soviet bloc are grave and not subject to easy solution. But if good will exists on both sides, at least a beginning can be made. The West, I am sure, will meet Mr. Khrushchev halfway in every honest effort in this

direction. America will go every foot that safety and honor permit.

It will be a pleasure to meet again with my old friends, President de Gaulle and Prime Minister Macmillan. I hope to meet another friend, Chancellor Adenauer, this afternoon. I have talked with all three of these leaders in recent weeks, and we have had opportunity to discuss the issues before us. Unity on great principles and purposes strengthens the Western Powers as the eyes of the world turn toward Paris. I pray that the grace of God will be with us to direct our efforts so that progress toward a just peace may be achieved.

PRESIDENT'S STATEMENT OF MAY 16¹

Having been informed yesterday by General de Gaulle and Prime Minister Macmillan of the position which Mr. Khrushchev has taken in regard to this conference during his calls yesterday morning on them, I gave most careful thought as to how this matter should best be handled. Having in mind the great importance of this conference and the hopes that the peoples of all the world have reposed in this meeting, I concluded that in the circumstances it was best to see if at today's private meeting any possibility existed through the exercise of reason and restraint to dispose of this matter of the overflights, which would have permitted the conference to go forward.

I was under no illusion as to the probability of success of any such approach, but I felt that, in view of the great responsibility resting on me as President of the United States, this effort should be made.

¹ Made following the May 16 meeting of the four Heads of Government (press release 271 dated May 17).

In this I received the strongest support of my colleagues, President de Gaulle and Prime Minister Macmillan. Accordingly, at this morning's private session, despite the violence and inaccuracy of Mr. Khrushchev's statements, I replied to him in the following terms:

I had previously been informed of the sense of the statement just read by Premier Khrushchev.

In my statement of May 11th² and in the statement of Secretary Herter of May 9th³ the position of the United States was made clear with respect to the distasteful necessity of espionage activities in a world where nations distrust each other's intentions. We pointed out that these activities had no aggressive intent but rather were to assure the safety of the United States and the free world against surprise attack by a power which boasts of its ability to devastate the United States and other countries by missiles armed with atomic warheads. As is well known, not only the United States but most other countries are constantly the targets of elaborate and persistent espionage of the Soviet Union.

There is in the Soviet statement an evident misapprehension on one key point. It alleges that the United States has, through official statements, threatened continued overflights. The importance of this alleged threat was emphasized and repeated by Mr. Khrushchev. The United States has made no such threat. Neither I nor my Government has intended any. The actual statements go no further than to say that the United States will not shirk its responsibility to safeguard against surprise attack.

In point of fact, these flights were suspended after the recent incident and are not to be resumed. Accordingly, this cannot be the issue.

I have come to Paris to seek agreements with the Soviet Union which would eliminate the necessity for all forms of espionage, including overflights. I see no reason to use this incident to disrupt the conference.

Should it prove impossible, because of the Soviet attitude, to come to grips here in Paris with this problem and the other vital issues threatening world peace, I am planning in the near future to submit to the United Nations a proposal for the creation of a United Nations aerial surveillance to detect preparations for attack. This plan I had intended to place before this conference. This surveillance system would operate in the territories of all nations prepared to accept such inspection. For its part, the United States is prepared not only to accept United Nations aerial surveillance but to do everything in its power to contribute to the rapid organization and successful operation of such international surveillance.

We of the United States are here to consider in good faith the important problems before this conference. We are prepared either to carry this point no further or to undertake bilateral conversations between the United States and the U.S.S.R. while the main conference proceeds.

² For text, see BULLETIN of May 30, 1960, p. 851.

³ For text, see *ibid.*, May 23, 1960, p. 816.

My words were seconded and supported by my Western colleagues, who also urged Mr. Khrushchev to pursue the path of reason and common sense and to forget propaganda. Such an attitude would have permitted the conference to proceed. Mr. Khrushchev was left in no doubt by me that his ultimatum would never be acceptable to the United States.

Mr. Khrushchev brushed aside all arguments of reason and not only insisted upon this ultimatum but also insisted that he was going to publish his statement in full at the time of his own choosing. It was thus made apparent that he was determined to wreck the Paris conference. In fact the only conclusion that can be drawn from his behavior this morning was that he came all the way from Moscow to Paris with the sole intention of sabotaging this meeting on which so much of the hopes of the world have rested.

In spite of this serious and adverse development I have no intention whatsoever to diminish my continuing efforts to promote progress toward a peace with justice. This applies to the remainder of my stay in Paris as well as thereafter.

STATEMENT BY MR. HAGERTY, MAY 17

White House (Paris) press release dated May 17

The President understands from the invitation of President de Gaulle, the host and chairman, that the meeting which he has called for this afternoon will be a formal session of the conference at the summit. In this light, the conference will address itself to the subjects which had originally been accepted for discussion.

In accepting this invitation, the President of the United States assumes that acceptance by the Soviet representative of the same invitation to attend this meeting would constitute a withdrawal on his part of the "conditions" which had already been refused by the President.

WESTERN COMMUNIQUE, MAY 17

White House (Paris) press release dated May 17

The President of the United States, the President of the French Republic and the Prime Minister of the United Kingdom take note of the fact that because of the attitude adopted by the Chairman of the Council of Ministers of the Soviet

Union it has not been possible to begin, at the Summit Conference, the examination of the problems which it had been agreed would be discussed between the four Chiefs of State or Government.

They regret that these discussions, so important for world peace, could not take place. For their part, they remain unshaken in their conviction that all outstanding international questions should be settled not by the use or threat of force but by peaceful means through negotiation. They themselves remain ready to take part in such negotiations at any suitable time in the future.

STATEMENT BY MR. HAGERTY AND MR. BERDING, MAY 18

White House (Paris) press release dated May 18

The President of France, the President of the United States, and the Prime Minister of Great Britain met for 1 hour at the Elysée Palace with their Foreign Ministers. They heard a report of the Ministers on their discussions this morning concerning the international situation now prevailing.

President Eisenhower remained behind after the meeting for a farewell visit with President de Gaulle. This visit took place this evening rather than tomorrow morning because of President Eisenhower's early departure for Lisbon.

PRESIDENT'S DEPARTURE STATEMENT, PARIS, MAY 19

White House (Paris) press release dated May 19

Again I have the opportunity to say adieu to France. I share the disappointment of my colleagues that, because of our inability to convene the summit conference, we could make no progress toward easing the tensions that so plague mankind. But I equally share their confidence that because of this setback we of the Western allies, particularly France, Britain, and the United States, both through their Governments and through their people, are joined even closer than before in their determined pursuit of peace with justice in the world.

And so now I say, or express my deep gratitude to the people of France, who have made our stay here so enjoyable personally and who have been so generous in their extension of courteous

hospitality. It is a lovely country that I hope in the coming months and years to visit often. Thank you all very much.

PRESIDENT'S REMARKS, WASHINGTON, MAY 20¹

My good friends and fellow citizens: After a trip of this kind you can well understand what it means to me to have this kind of a welcome. I am deeply appreciative of the trouble that each of you took to come out to this spot. It truly means a lot to me.

As we planned for the summit the hopes of the world were not too high. The experience of the past years had denied us any right to believe that great advances toward the purpose we seek—peace with justice—could be achieved in any great measure. Yet it seems that the identity of interest between ourselves and the Soviets in certain features was so obvious that logically we should have made some progress.

Certainly the subjects on which we wanted to talk were those that seemed so important to them, for example, disarmament, the widening of contacts so that we would have open societies—or slightly more open societies—dealing with each other, then the matter of Berlin and a divided Germany, and finally, as between Russia, the U.K., and ourselves, some agreement on a plan for control of nuclear testing.

Therefore it was a mystery—and remains a mystery—as to why at this particular moment the Soviets chose so to distort and overplay the U-2 incident that they obviously wanted no talks of any kind and, in fact, made it impossible to begin them. I am not going to speculate today as to the future, but it is quite clear that, since they wanted no talks whatsoever at this time, we can be watchful for more irritations, possibly other incidents that can be more than annoying, sometimes creating real problems.

For example, just today a half hour before I landed, it was reported to me that there is a C-47 missing in Western Germany. This is an unarmed, slow plane—no possibility of being used for military purposes—and in fact, I believe it had

¹ Made at Andrews Air Force Base, Md. (White House press release dated May 20).

nine passengers aboard. There was some bad weather, and its route took it near the Eastern German border. We do not know at this moment that any deliberate act delayed it, but at least it is overdue. And so, in the atmosphere in which we now have to think and live, we cannot be sure that the worst has not happened.

Now, I may want to talk soon to the Nation about these matters, and for that part of it, I now stop. But I do want to tell all of you people about three or four encouraging features that I encountered. First of all was the assurance of the support of the home folks; from friends, and from the Joint Chiefs of Staff, from the political leaders of both parties, from newspaper comments and editorial comment of every kind, I was assured of the essential solidarity of the United States and the sincerity of our peaceful purposes.

Secondly was the conduct of my two principal colleagues of the West. Mr. Macmillan and General de Gaulle were superb. They spoke with one voice with our delegation in support of those things which we thought right and decent and logical.

Thirdly was an action on the part of the NATO Council yesterday when Secretary Herter reported to them while I was in Portugal. The NATO resolution unanimously supported the three Western Powers in what we were trying to do.

And finally, the Portuguese reception—in a way I think they wanted to provide the United States and the West, and even me personally, with something of an antidote for some of the disappointments we have felt. Government and citizens alike tried to outdo themselves in the warmth and cordiality of their reception, and, on top of that, in their assurances from every side—newspapers, the officials, common people coming in who were serving us in the Palace—everywhere they said the West in effect is right and we want you to know it. And they used every possible way to do it. And for that day in Portugal yesterday I am grateful.

Finally, since most of you will understand that by our time here it was 1 o'clock when I arose this morning, I am sure you expected nothing of eloquence. But I did want sincerely to give you some of my reactions, convictions as of this moment, and to say again to each of you: Thank you very much indeed.

NATO Council Reaffirms Complete Solidarity

Following is the text of a communique released at Paris on May 19 following a meeting of the Permanent Council of the North Atlantic Treaty Organization.

Press release 274 dated May 19

The Permanent Council of the North Atlantic Treaty Organization met in Paris on May 19, 1960, and heard statements from the Foreign Ministers of France, the United Kingdom and the United States on the events which prevented the holding of the summit conference.¹

In the communique published at the end of its meeting in Istanbul,² the Atlantic Council welcomed the prospects of negotiations with the Soviet Union and expressed the hope that the negotiations would lead to an improvement in international relations.

It regrets that Mr. Khrushchev's position has made negotiations in Paris impossible.

Reaffirming complete solidarity of the countries of the Alliance, it fully approves the statement of the three Heads of State or Government that "all outstanding international questions should be settled not by the use or threat of force but by peaceful means through negotiations" and remains "ready to take part in such negotiations at any suitable time in the future".

President Eisenhower Makes Official Visit to Portugal

Following are texts of remarks made by President Eisenhower during his visit to Portugal May 19-20.

ARRIVAL STATEMENT¹

I thank you most sincerely for your warm words of welcome. It is 9 years since I last visited this lovely land. It was a January day of beautiful sunshine, and I recall very vividly the opportunity I had to see from the vantage point of the Edward VII Park the lovely city of Lisbon. Now I am particularly fortunate that I come back when you are celebrating your Fifth Centenary of

¹ See p. 904.

² For text, see BULLETIN of May 23, 1960, p. 840.

³ Made at Portela Airport, Lisbon, on May 19 (White House (Lisbon) press release).

Prince Henry, the great navigator. His studies and leadership were the very inspiration for the great age of exploration. And America joins, the American people join, your people in the salute to this great gentleman, a man whose genius did so much to enrich both our country and yours.

Finally I come back to tell you that there are no great problems between the United States and Portugal. Our entire history since the birth of my Nation has been that of friendship. And in friendship we are members of the United Nations; we are both members of the North Atlantic Treaty Organization, an alliance that seeks only security and peace. And our two nations, despite obstacles set in our paths by others, will continue the march toward peace and freedom.

LUNCHEON TOAST²

Mr. President [Américo Deus Rodriques Thomaz], Mrs. Thomaz, ladies and gentlemen: I am grateful for your words to me, my country, and the people of the United States.

In the past, hardy Portuguese explorers spent many months penetrating the uncharted distances between our two continents. Today the space between us has been reduced to a few hours on a jet plane. May this shrinking distance symbolize the ever more binding ties between our two nations.

Founding partners in the NATO alliance, we are of a like abiding confidence in its strength and in the ideals which it seeks to preserve and defend.

Ladies and gentlemen, to Portuguese-American friendship: May it be in the future as it has been in the past—warm, steadfast, and enduring.

Ladies and gentlemen, will you join me in a toast to the President of Portugal?

DINNER TOAST³

Mr. President, Mrs. Thomaz, ladies and gentlemen: This has been a wonderful day. After the disappointments arising out of the failure to convene a summit conference, it has given me great pleasure to revisit Portugal. I know that neither of our countries will be dismayed by this setback. On the contrary, it will merely spur our efforts toward peace with justice.

² Made at a luncheon given in President Eisenhower's honor by President Thomaz at Ajuda Palace, Lisbon, on May 19 (White House (Lisbon) press release).

³ Made at a dinner given in President Thomaz' honor by President Eisenhower at Queloz Palace, Lisbon, on May 19 (White House (Lisbon) press release).

I have happy memories of my first trip here in 1951. And it has been particularly gratifying to renew my acquaintance with President Thomaz and with Dr. Salazar, who received me so cordially 9 years ago.

Today the Portuguese Government and the Portuguese people have been equally generous in making this visit a heartwarming occasion. I see in this gracious welcome traditional Portuguese hospitality. In it I see, too, evidence of the long-standing friendship between our two nations and of our mutual devotion to the cause of maintaining a free and peaceful world. And so I offer this toast: To the President and the people of Portugal.

DEPARTURE STATEMENT⁴

Mr. President and all citizens of this lovely and friendly country: First of all, Mr. President, will you permit me a word of congratulations to the armed services for the beauty and character of the arrival and departure ceremonies. Never have I seen any more impressive than this.

Twenty-four hours is far too short a time to spend in your lovely country. As in my visit here in 1951, I have been impressed by the beauty of Portugal and by the friendliness and hospitality of the Portuguese people. Equally impressive are the signs of real progress. Today I saw whole communities which in my visit in 1951 did not exist.

Brief as this visit was, I believe it has been productive of many useful results. My talks with President Thomaz and with the President of the Council, Dr. [Antonio de Oliveira] Salazar, have been conducted in a spirit of complete mutual understanding. All of us realize that we are united in a common cause and that each of us, in his own way, shares a part of the responsibility of striving for a peaceful and better world. Moreover, our talks together have once again affirmed the spirit of friendship and good will that has always characterized the relations between Portugal and the United States.

The time has come to say goodbye. It is with the greatest reluctance that I take my leave after this pleasant stay with you.

But in the name of the American people, I salute the Portuguese nation, its distinguished leaders, and its wonderful, warmhearted citizens. My deepest gratitude and thanks go to all who have made this visit so pleasant and memorable.

⁴ Made at Portela Airport, Lisbon, on May 20 (White House (Lisbon) press release; as delivered).

Japanese-American Friendship

Remarks by Acting Secretary Dillon¹

I am highly honored to join with the Japan-America Society of Washington in commemorating the Centennial of the first Japanese embassy to the United States and to greet former Prime Minister Shigeru Yoshida and the other distinguished members of the Centennial mission.²

The visit of Lord Shimmi and his suite to Washington 100 years ago ushered in an era of vast benefits for both Japan and the United States, which has witnessed the emergence of Japan as a major industrial power. Japan's present industrial strength and her remarkable recovery from the postwar period are highlighted by a 25 percent increase in living standards over pre-war levels—and that, despite a population rise of more than 20 million and the need to rebuild cities and industry.

When I visited Japan last fall, new buildings and factories were everywhere evident. I saw that, thanks to the energy and skill of its people, Japan has a first-class industrial plant, capable of pioneering advances.

This plant, these skills, and the energy of the Japanese people are building a standard of life beyond the dreams of past generations. These advances are going forward, moreover, without sacrificing the true values of Japanese culture and society. The success of Japan is a living answer to those who, while making a fetish of crass materialism, despise, and would destroy if they could, human and national values.

Parallel with Japan's progress has been the growth of her relations with the United States. The events that crowd this centennial year are sufficient to illustrate the intimacy of our present ties:

The year began with highly rewarding talks between Prime Minister Kishi and President Eisenhower and the signing at the White House of the Treaty of Mutual Cooperation and Security, which provides a firm foundation for the next century.³

¹ Made before the Japan-America Society at Washington, D.C., on May 20 (press release 275).

² For an article by E. Taylor Parks on "The First Japanese Diplomatic Mission to the United States—1860," see *BULLETIN* of May 9, 1960, p. 744.

³ *Ibid.*, Feb. 8, 1960, p. 179.

Today we welcome to Washington a delegation of Japan's leaders.

Next month the President travels to Japan to help commemorate the Centennial.

Next September Their Royal Highnesses, the Crown Prince and Princess, will visit this country, where they will be most warmly welcomed.

The United States is confident that our present friendship with Japan is no temporary phenomenon. We have had to overcome enormous barriers of language, custom, and contrasting civilizations. Difficulties of the most serious nature have arisen. To ignore the armed conflict between the United States and Japan would deny to us both the invaluable experience gained from its resolution. Out of the devastating hostilities of World War II has grown a firmer relationship and far greater understanding of the necessity for peaceful settlement of differences. For our part, we shall not waver in our efforts to intensify friendship with the people of Japan.

Success in forging our present partnership would not have been possible without the untiring efforts of men dedicated to Japanese-American friendship. We have among us today Mr. Yoshida, a man whose contribution to this cause is unsurpassed. Mr. Yoshida was Japan's Prime Minister almost continuously during the crucial postwar years. Without his leadership, his foresight, and his stubborn insistence upon building a solid foundation for Japanese-American ties the Centennial events of this year would not have been possible.

Mr. Yoshida, the United States has many reasons to be grateful to you: for your wise counsel during the trying occupation period; for your conspicuous role in framing the peace treaty; and, most important, for the close and friendly ties now linking our two countries. Your presence here today is dramatic proof that your contribution to Japanese-American relations continues undiminished.

The Centennial is a fitting time to look to the future. There are compelling interests that draw us together. The underlying strength of our two countries gives us a common interest in maintaining peace and in bolstering the stability and welfare of other free countries whose shores are lapped by the Pacific and whose peoples are equally dedicated to the cause of democracy and human freedom.

United States of America-Japan Centennial Year

A PROCLAMATION¹

WHEREAS a special Japanese mission, comprising three principal officers together with nearly seventy subordinates, arrived in Washington on May 14, 1860, presented credentials to President Buchanan on May 17, exchanged the ratifications of the Treaty of Amity and Commerce of 1858 on May 22, took leave of the President on June 5, and sailed from New York for Japan on June 30, 1860; and

WHEREAS the visit of this mission to the United States, which was an act of reciprocity for the missions of Matthew C. Perry and Townsend Harris to Japan, provided an auspicious introduction of Japanese officials to this country; and

WHEREAS the year 1960 marks the one-hundredth anniversary of the first Japanese diplomatic mission to the United States; and

WHEREAS in signing the Treaty of Mutual Cooperation and Security on January 19, 1960, the two nations have envisaged a lasting partnership based on equality and on mutual interest and understanding; and

WHEREAS both Governments look forward to the celebration of this year as the centennial of reciprocal United States-Japanese diplomatic relations:

NOW, THEREFORE, I, DWIGHT D. EISENHOWER, President of the United States of America, do hereby proclaim the year 1960 to be the United States of America-Japan Centennial Year.

I call upon all agencies and officers of the Federal

Government, upon the Governors of the States, and upon the American people to observe this year as the United States of America-Japan Centennial Year.

I urge that throughout this period—especially during the week from September 27 to October 3—appropriate steps be taken, through celebrations, visits, and other observances and activities, to emphasize both the historical event of a century ago and the inauguration of a new era in the relations between the two countries, founded on amity, common interest, mutual trust, and cooperation, with the view that intelligence, imagination, and wisdom among our respective peoples may be brought into full play to achieve a world at peace with freedom and justice.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the City of Washington this fourteenth day of May in the year of our Lord nineteen hundred and sixty, and of the independence of the United States of America the one hundred and eighty-fourth.

By the President:
LOY W. HENDERSON,
Acting Secretary of State.

Dwight D. Eisenhower

¹ No. 3349; 25 *Fed. Reg.* 4443.

Commercial, cultural, and scientific relations have created a broad community of interest and interdependence between our peoples. The stake in accelerating ever-closer ties is not the monopoly of a few government leaders. The stake is widely shared by the cotton growers of our South, the skilled technicians of Japan's factories, the grain farmers of Iowa, and the Japanese fishermen who provide seafood products for American tables.

We are also, in a very real sense, neighbors separated only by the brief span of a jet flight from our newest State, Hawaii.

A community of interest is not, however, a guarantee of closer relations. It is essential that we pursue our common interests cooperatively and in a spirit of mutual understanding and confidence.

There are several steps we can now take to develop what President Eisenhower has called "an

indestructible partnership" between our two countries:

First, we can carry forward the new Treaty of Mutual Cooperation and Security and make it a growing force for peace and security in the Far East. A great step in this direction was taken yesterday by the Lower House of the Japanese Diet. Its approval of the treaty is a source of great satisfaction to all friends of Japan in the United States.

Second, we can energetically work to keep trade channels flowing between Japan and the United States. Japan's capacity to provide the living standards to which her people aspire depends upon trade. We Americans must maintain and increase our exports if we are to meet our international obligations. Both countries, therefore, share a common interest in the task of dismantling as quickly as possible the postwar residue of trade restric-

tions. We must likewise work together to assure that rising levels of trade are achieved in an orderly fashion and without disrupting established markets. Otherwise it will be difficult to keep United States commercial policy moving in a liberal direction.

Japan's dramatic postwar recovery, in which Mr. Yoshida played such a major role, has made it a major force in worldwide economic activity. A measure of Japan's rising economic stature is the contribution she is already making to the growth of newly developing areas. Last year, Japanese investment programs in these countries amounted to about \$130 million. Japan is also providing some \$70 million annually to certain Far East countries in reparations and other postwar settlements. If significant progress is to be made in the economic growth of the newly developing countries, the task of assistance must be shared among the more fortunate nations. The United States is determined not to diminish its own contribution, but the cooperation of all countries is needed. Japan's participation in the new Development Assistance Group is, therefore, logical and most welcome.⁴

Japan's contribution is not limited to financial aid. Her technical skills, her intimate connections in Asia, her experience with problems common to that region provide a unique basis for assisting the newly developing nations. In particular, much can be learned from the accomplishment of Japan in achieving enormous rates of economic growth without repression and without sacrificing political democracy and free, private institutions. The problems faced by the newly developing nations present a major challenge to Japan and the United States. Our very survival may depend upon our success in meeting this challenge.

In closing I should like to repeat to the Centennial mission, headed by Prime Minister Yoshida, the offer made to the first Japanese embassy 100 years ago by our President Buchanan:

"During your residence among us, which I hope will be sufficiently prolonged to enable you to visit the different portions of our country, we shall be happy to extend to you all the hospitality and

kindness justly due to the great and friendly sovereign whom you so worthily represent."

Gift From People of Netherlands Symbolizes Friendship With U.S.

White House press release dated May 6

Following is an exchange of messages between President Eisenhower and Her Majesty Juliana, Queen of the Netherlands.

President Eisenhower to Queen Juliana

MAY 5, 1960

Her Majesty
JULIANA
Queen of The Netherlands
The Hague

YOUR MAJESTY: I am most grateful for your thoughtful message. It is indeed appropriate that today, the fifteenth anniversary of the liberation of your great country, should be the occasion of the presentation of the monument from you and the people of The Netherlands to the people of the United States.¹ Personally and on behalf of all our citizens I assure you of our deep appreciation. The monument will remain a symbol of the enduring friendship between our peoples.

Sincerely,

DWIGHT D. EISENHOWER

Queen Juliana to President Eisenhower

MAY 5, 1960

THE PRESIDENT
The White House
Washington

At the commemoration of our liberation 15 years ago and at the completion of the monument of our gratitude I should like once again to emphasize the moral and material support your country gave us in so ample measure during and after the war. Gladly I take this opportunity, Mr. President, to send you and the people of the United States of America, also on behalf of the people of The Netherlands, my very best wishes for a peaceful and prosperous future.

JULIANA

¹ A 127-foot bell tower with a carillon of 49 bells was formally presented to the people of the United States from the people of the Netherlands at Washington, D.C., on May 6 in appreciation of U.S. assistance to Holland during and after World War II.

⁴ *Ibid.*, Apr. 11, 1960, p. 577.

The Growing Importance of Educational Exchange in the American Republics

by *R. R. Rubottom, Jr.*

*Assistant Secretary for Inter-American Affairs*¹

I think there is no more appropriate a word to symbolize the aspirations of our forward-looking hemisphere than "education." Here, in one word, is the key to much of the attainment of a better life for the people of the Americas, of whom a great many have a perfect right to fuller expectation. Here also lies the hope for realizing much of the enormous potential with which nature has endowed this hemisphere, for among its abundant resources there is none so precious or important as the human.

Both the economy and population of Latin America have entered into an era of vigorous expansion, but each is dependent on the other for truly constructive growth. Industry and commerce will need trained and well-educated personnel in ever-greater numbers at a time when, fortunately, the work force will be on the increase. The Latin America that is underpopulated and underdeveloped will be passing from the modern scene, replaced by a new era of transformation in some of the existing social and political structure as well as economic vitality.

As this change is ushered in, the adequacy of human resources is likely to reach a critical stage in the near future. Let us consider a few facts. The 90 million population of the Latin American Republics 40 years ago is almost 200 million today and will become 255 million at the end of the current decade. This population surge challenges the entire hemisphere to provide better oppor-

tunity through education that has not been provided before. Today the shortage of elementary school teachers in Latin America stands at 400,000—only slightly less than the number actually teaching. Of the children who should be in elementary schools, we are told that only 50 to 60 percent are attending. Of the children who should be in secondary schools, less than 10 percent are attending. Among a population larger than our own, only about 350,000 are attending universities as compared with 3 million in the United States. Of the adult population of Latin America, more than 70 million cannot read or write. The average educational level of the total population is less than the first grade.

The task that lies ahead is enormous, and yet I view the prospects for success with optimism. Much of the groundwork that was prepared with patience and foresight over the past only now is beginning to show results, and many of the long-range programs that are still in process will show compounded results in the future. We believe a great deal of progress has been made and that a great deal more is in the offing. To help these countries raise their educational standards to a point where they may reap in large measure the benefits of their true potential is a task that the United States enjoys sharing with other nations in our mutually dependent hemisphere.

These results not only will be evident in the larger numbers of trained and educated personnel so necessary to economic and social development but also in the greater understanding that is provided through educational exchange. The students, teachers, professors, and specialists of all kinds who live and study in countries other than

¹Address made before the fourth annual conference of the Institute of Ibero-American Studies at the Catholic University of America, Washington, D.C., on May 6 (press release 248).

their own are important links, each one, in strengthening the bonds of international cooperation and understanding. In this context we hold the view that the cultural purposes of educational exchange are at least on the same level of importance as the technical purposes.

Landmarks of Educational Exchange

Educational exchange now is truly a vast national and international endeavor that crisscrosses both continents in myriad fashion. But it also dates back to the earliest days of independence in Latin America. The great freedom fighter Francisco de Miranda was an observer at Yale University during the early years of the 19th century, and Simón Bolívar, the Liberator, sent his son to study at the University of Virginia. The earliest exchange agreement between governments was signed between Guatemala and El Salvador in 1876, but it was not until the turn of the century that mutual cultural interest between the United States and Latin America began to be stimulated by greater political and economic relationships. In the aftermath of the Spanish-American War the United States Army initiated a project that brought 1,250 teachers from Cuba to Harvard University for advanced training. In the United States a few universities and colleges began to pioneer in the field of Latin American history and civilization.

While I have no wish to recite a history of educational exchange, I do want to call attention to one of its most important landmarks, the Convention for the Promotion of Inter-American Cultural Relations,² signed at Buenos Aires in 1936. This agreement among 17 of the American Republics, including the United States, marked the first recognition of cultural exchange as a major plant in overall U.S. foreign policy, and since that time it has played a continuing role in the development of international understanding and mutual respect. It is significant that this element, now firmly entrenched in our worldwide relationships, first took root in our relations with Latin America.

I cannot say enough in support of educational exchange as a vital aspect in the conduct of our foreign affairs. Today the world is divided into two camps of separate ideologies. Cultural ex-

change could be a middle ground, a meeting place, where ideological differences could be subordinated to the common task of searching out the truth. Is it too much to hope that the pathway of mutual respect in matters cultural and educational might lead to broad fields of understanding that previously have been unattainable? In the Western Hemisphere, where democracy generally carries the same meaning everywhere without ideological misinterpretation, educational exchange is a broad avenue instead of a pathway, and it leads to a higher social and economic attainment for our many peoples. In the final analysis, by far the majority of exchange programs in the Americas serve not so much the needs of the individual as the needs of whole nations. Not that educational exchange is a cure-all by itself. Rather it is a catalyst that serves to set the process of change in motion, with most of the real effort being completed within the boundaries and through the efforts of the individual countries. If the exchange of persons is not a cure-all for everything that needs doing in our hemisphere, it is, in many instances, a strong and solid foundation on which the framework of progress can be built.

The efforts of our own Government are but a small part in the whole montage of educational exchange between the countries of the Americas. It is probable that an enumeration of the total number of programs and persons exchanged has never been attempted. In the United States alone, exchanges are conducted by three Government agencies, philanthropic groups such as the Rockefeller, Ford, Guggenheim, and Kellogg Foundations, private organizations such as the Institute of International Education, many universities dealing directly with foreign countries, businessmen's organizations such as Rotary International, and even individual citizens who wish to help foreign students receive university training. Of growing importance is the work of the Organization of American States, with its many grants under the fellowship and technical cooperation programs.

What is more significant than the number of persons exchanged or the money spent or the organizations involved is an examination of educational exchange in the light of actual needs and the promise of fulfillment of national objectives within our 21 Republics.

Let us consider some of the many fields of endeavor where educational exchange has contrib-

² 51 Stat. 178.

uted or will contribute to the advancement of well-being for people of the Americas, keeping in mind that these efforts are significant only because the individual countries have supplemented these programs with much larger efforts of their own in attempting to deal with their individual needs.

Progress In Engineering and Science

A large number of grants are focused on the need for more engineers—electrical, chemical, civil, electronic, safety, industrial engineers, and other categories. Hardly any vocation could be more vital to the economic advancement of the Americas. In fact, the shortage of engineers today is acute throughout most of the world. Some 325,000 current enrollments in our own universities are not enough for United States needs; yet in Latin America only some 50,000 university students are taking engineering courses. More than mere numbers, there are too few graduate courses providing the advanced training so necessary to this critical area of learning.

A number of universities in Latin America are making valiant progress against this need. I would like to point out one dramatic example—the Monterrey Instituto Tecnológico of Monterrey, Mexico. Established during World War II to meet the increasing needs of Mexican industry, this private institution moved into its impressive “university city” home only in 1947 and today enjoys a growing reputation as the “MIT of Latin America.” In 17 years its enrollment has grown from approximately 200 to well over 5,000. Its well-paid faculty works full time on the campus; its laboratories are extensive; its administration is professional; student discipline is enforced, and many students live in campus dormitories. All these factors set it apart from most Latin American universities.

But the real significance of the Tecnológico to the Western Hemisphere is its international attraction, for within its purely Mexican character it is international in faculty experience, in student enrollment, and in administrative outlook. This is borne out in its concerted drive to establish an extensive system of graduate studies. The founding of graduate programs in Latin America, particularly in the sciences, has been slow because professors with graduate degrees, many of which must be earned at great cost in foreign countries, are not available in sufficient numbers. To solve

this problem, the Tecnológico encourages faculty members to apply for foreign scholarships, assures reemployment of grantees for a specified number of years, pays supplementary costs not covered by their grants, and assumes complete financial support of their families during the course of study—which might be as much as 3 years for a doctoral degree.

This has stimulated large numbers of professors to study abroad, and the graduate program is well underway. Of the total faculty, approximately 50 percent have studied so far in foreign universities. Of these, 90 professors have studied in the United States and 40 others in Spain, France, Italy, Germany, England, Switzerland, Canada, and Uruguay. The industries that provide most of the support for this farsighted plan will benefit most from it, in terms of new sources of technological personnel with the academic background necessary to their production. As the quality and breadth of its technological training increases, the influence of the Tecnológico expands in ever-widening circles as an educational center of high stature in Latin America. At the present time 404 foreign students are enrolled, representing 16 of the 21 American Republics as well as three European countries.

Throughout Latin America the ferment of rapid industrialization has stimulated various countries to seek help in establishing new science courses and even new universities. In São José dos Campos, Brazil, a model engineering university is being established—the Aeronautical Institute of Technology—with the help of United States professors who are experts in nucleonics, heat transfer, motive power, and related fields. Supported by ICA [International Cooperation Administration] grants, these professors help to develop the curriculum, train Brazilian professors, and teach classes. In Chile our National Academy of Sciences assists the seven universities of that country in improving scientific and technological training in an ICA project aimed at increasing the number of science and technology graduates, improving the training of these graduates, and increasing the role of the universities in the effective use of national resources. A Smathers amendment^a loan of \$850,000 was obtained for the pur-

^a Sec. 400(b) of the Mutual Security Act of 1954, as amended.

chase of laboratory equipment and technical library books.

Need for More Teachers

I have mentioned earlier the need for more teachers. Surely there is no field more important to the public welfare than education, the well-spring of all development—social, economic, political, and cultural. An enlightened and intelligent populace is the basic measure of progress in human advancement. In this extensive field the Pan American Union has prepared excellent materials to help Latin American governments in providing basic needs such as adequate reading materials and specialized personnel. A fundamental education series of 68 titles—amounting to some 4 million booklets—gives the fundamental details on such topics as health and child care, soil conservation and cooperatives, economics and community improvement. Designed for facile understanding by adults of limited reading ability, these pamphlets have been widely reproduced by member states. At Patzcuaro, Mexico, 400 education grantees from various countries have been trained in the use of these fundamental education programs by the Latin American regional fundamental education center operated by UNESCO [U.N. Educational, Scientific and Cultural Organization].

Another highly significant project is carried out twice a year by the University of Puerto Rico—the teacher development seminars. Here Latin American teachers are taught new methods and techniques which might be developed for their own countries. Initiated in 1956, these seminars have helped to prepare 300 teachers from 19 countries for a role of renewed effectiveness in their many duties.

There is not a single country in the hemisphere that is not working hard to bring more teachers into the profession in the struggle to diminish illiteracy. A large amount of help is available from public and private sources, as for example ICA assistance to the Government of Peru, where eight teachers colleges and the University of San Marcos are conducting programs of curriculum development, teaching methods, and administration. So far the qualifications of more than 2,000 Peruvian teachers have been improved through this program alone.

The campaign against illiteracy goes beyond

government and becomes a truly civic movement in which the cooperation of the church, home, and place of business joins the school in making a wide and sustained effort. Some of the individuals who have become imbued with this spirit have accomplished monumental results. In Colombia a priest teaches the fundamentals of reading, writing, and arithmetic in a radio program beamed at rural audiences. His success has far exceeded normal expectations. Since its inception in 1947 this program is credited with lowering the illiteracy rate in rural Colombia from approximately 70 percent to 50 percent and at present has an enrollment of some 700,000 students at the elementary level. Its success has become so widespread that similar projects have been promoted in Brazil, Honduras, Mexico, Peru, and Venezuela.

Problems in Teaching of Economics

In both science and education Latin America is confronted with the task of overcoming a shortage of trained personnel. In the teaching of economics the problem is one of concept. Much of the social structure of Latin America inclines in varying degree toward practices in which the state assumes much if not all responsibility for health, education, pensions, worker benefits, social security, and other provisions. But when these statist concepts appear in the teaching of economics, as they do in some universities, the training received by the student does not adequately match the needs of the private-enterprise economy. The economic structure of this entire hemisphere is resoundingly private enterprise, based on open competition, with the maximum possible freedom of management and labor. Of course, the watchful eye of governments can be expected to defend the general welfare. Some economics teaching tries to reconcile statist theory with the practice of private enterprise, and this can only result in some confusion on the part of the student.

There are, of course, many universities that have not adopted this dichotomy and are still interested in modernizing their economics teaching in step with the rapid development of their countries. Such a case is the Catholic University in Chile, which has sent a total of 21 outstanding young Chilean economists to the University of Chicago for studies in economics research for later employment in the newly established Economic Research Center, or, in four cases, appointment as full-time

professors on the faculty of economics. Through this program a new curriculum, new teaching methods, and new selection processes for students have been installed in the faculty of economics. Over 4,000 volumes have been added to the economics library with funds from the overall ICA contract in collaboration with the university.

In Brazil the rapid economic development in recent years has created a demand for managerial talent beyond the available supply. The development of sound business administration through educating and training managers who will be able to improve and expand existing enterprises—and create new ones—is a most important factor in national advancement. The Getulio Vargas Foundation, with help from Michigan State University, trained professors in a long-range plan and now has established South America's first 4-year curriculum in this important field at the School of Business Administration at São Paulo. U.S.-trained Brazilian professors have taken over the conduct of the undergraduate 4-year course as well as the intensive 13-week courses for businessmen. Efforts are now being directed toward establishing training on the graduate level so that Brazil may train its future professors at the master's degree level. This, in turn, has led to the São Paulo school's role as host for the training of grantees in business administration under sponsorship of the Pan American Union.

Agricultural Studies

In the vast field of agricultural studies we have another area of critical significance to Latin America, especially in this nearing era when there will be so many more mouths to feed. Many of the countries that are now importing foodstuffs have farmlands that are inaccessible or not developed to their full productive potential. Argentina, for example, has an immense area the size of Texas that might very well provide food for many other countries as well as Argentina, once her rural economy returns to its former solid footing. In other countries the inadequacy of agricultural methods and techniques and the dependency on a one-crop economy are still obstacles in the course toward a greater output and a more stabilized economy.

To quote from a publication of the Pan American Union: *

Agricultural needs in Latin America cannot be well defined in that there is a wide variety of practices ranging from use of fairly modern techniques to traditional methods several centuries old. The majority of farms in Latin America are of the second type. To achieve the goals necessary for the productivity needed now and in the future, methods must be found to interest these farmers in new techniques, to increase the productivity of the farms, as well as to provide a personal growth toward better housing and better nutrition. However, technical cooperation programs cannot ignore the operator of the large farms. This group of farmers by their very nature will have a more immediate effect on the economies. In other words, any technical cooperation programs in Latin America must be diversified enough to handle these two extremes.

To meet these needs the OAS carries out several farsighted and long-range exchange programs. To cite only one, nearly 4,000 grantees have been trained in a project entitled "Technical Training for the Improvement of Agriculture and Rural Life." The courses include such diverse subjects as agricultural engineering, sociology, forestry, statistical methods, agricultural extension, pastures, soils, and many others.

I do not wish to depart from the topic of agricultural studies without mentioning the long-sustained work of the Rockefeller Foundation in this field. Beginning in 1914, the Rockefeller Foundation has provided extensive grants to Latin Americans, many of them in the field of agriculture. During 1959 this foundation will bring some 500 persons from abroad to the United States to carry on advanced studies and research. In addition to these grants, the foundation has provided funds to nonprofit organizations to coordinate technical assistance activities in Latin America. For 10 years the American International Association has provided special programs on supervised agricultural credit for small farmers in Brazil and Venezuela, with great impact on the development of agriculture in these countries.

So far I have only touched upon some of the problems and a few examples of how educational exchange is helping to solve them. It would be impossible to go into this in great detail, but I hope you will have an idea of the immense effort being put into the fight for the basic necessities of life in our hemisphere.

**Technical Cooperation in Latin America* (chap. II, topic 15 of the agenda); OEA series E/XI. 1, doc. 13, Nov. 23, 1959.

Training of USIS Librarians

While I am here at Catholic University, I wish to state that this institution deserves high honors for the excellent training of U.S. Information Service librarians, who have come here from Latin America during 1957 and 1958. I am informed that these librarians, who are foreign nationals hired in the host country by our USIS missions, received not only high professional instruction but also personal attention and excellent hospitality, all under the experienced guidance of Father James Kortendick, chairman of the Department of Library Science.

Most Americans will not realize how vital books are in international understanding, but these USIS librarians will tell you that their small collections of Americana, dealing with all phases of our high order of development, are not to be found elsewhere. These many programs in educational exchange dovetail in wondrous fashion at times, as for example when we find that USIS/Mexico within the last year has helped with the translation and publication of 25 U.S. books and pamphlets on education for use in the Mexican Government's teacher-training program. In Brazil, Colombia, and Peru nearly half a million dollars in local currencies are being used for the translation and publication of about 75 university-level books—in such subjects as political science, economics, history, geography, sociology, and others—and several teacher-training texts.

The various book and library projects of our USIS missions overseas are actually only a small part of the broad duties of the cultural affairs officer, the top director of many cultural and educational programs representing the United States. His purview takes in the various book and library programs, cultural presentations such as a visiting U.S. symphony orchestra, exhibits of all types of North American art, various English-teaching programs, and virtually everything to do with our education and culture. This USIS officer, well educated himself, has one of the more rewarding jobs in our Foreign Service.

All in all, more than 10,000 Latin American students will come to the United States to study

this year. About the same number of our students will go overseas for foreign studies, but of these only 1,049 are in Latin America. At the same time this country's universities are developing area and language studies of Latin America in increasing numbers. These programs tend to grow by themselves, and the normal contacts of one educational exchange may lead to many others. An example is the case of Dr. Amorosa Lima, who came from the Catholic University of Rio de Janeiro to occupy the chair of Brazilian studies at New York University. His work has promoted interest in the Portuguese language and Brazilian civilization in this country while, through his connections and the Department of State, New York University was able to establish a junior-year program with the University of Bahia. This is one of four such programs that are being carried out in Latin America this year for the first time. The others link Fordham with the Catholic University of Santiago, Chile, the University of Indiana with the University of San Marcos in Lima, Peru, and the University of Kansas with the University of Costa Rica.

My few hours here on your campus bring back many fond recollections to me, not only of the student years but also of my tenure as a university administrator. I hold the opinion that, if youth is presented with some of life's finest opportunities during their campus days, their university professors have an equal opportunity in the process of shaping and guiding their students into the mold and matrix of the future. Perhaps I might leave this message for the youth of the Americas tonight, bearing in mind that 40 percent of the population of Latin America is under 15 years of age: They will learn much about the material things of life—and these are essential—but the total learning process is spiritual as well as educational. Without spiritual growth, learning can be a hollow shell. It is the hope and vision of our hemisphere that education and spiritual growth together might furnish the youth of today with the conviction and knowledge to provide a solid foundation for their actions as mature and responsible citizens.

Africa: A New Situation Requiring New Responses

by James K. Penfield

*Deputy Assistant Secretary for African Affairs*¹

During 1960 at least seven countries of Africa will become independent. Among historians this may well be recorded as "the African year."

The independence explosion in Africa presents the world and the United States, as the predominant free-world power, with a new situation. The countries and peoples of Asia and the Middle East that acquired independence in the years following the Second World War had certain characteristics lacking in the African scene. Their ancient social structures provided the basis for effective political organization. In general a high degree of ethnic or linguistic unity existed. Smaller geographic areas were involved, with the exception of India and Indonesia, and even these are dwarfed by the dimensions of only that part of Africa which lies south of the Sahara.

In Africa, by contrast—and this applies particularly to tropical Africa—the social structure has long been atomized into communal tribal units. Such unity as did exist was further fractured by the arbitrary boundaries established to separate European zones of administration. In many areas little ethnic or linguistic unity exists, with even the smaller countries further subdivided by barriers of language and tribal rivalries. Enormous geographic areas are involved. The United States would fit into the African Continent three times over. Great stretches of Africa, otherwise bountiful, have not been developed or exploited by the white man because of the climate and the prevalence of exotic diseases. While the independence movement in Asia and the Middle East evolved over a relatively long period of time, the great majority of African states have acquired

their freedom relatively suddenly from 1956 to the present year. Objectively speaking, there has been little time for either the administering powers or the new states to prepare for the tide of nationalism which has engulfed them.

So much for the differences between the contemporary independence movements in Asia and the Middle East, as compared with Africa. There are also important basic similarities. Perhaps the most basic is what may be called "anti-colonial nationalism." Complex factors set in motion by the upheavals of the Second World War spelled the end of colonialism and awakened the long dormant spirit of nationalism among peoples from Korea to Ghana. Simultaneously there occurred the rising expectations of peoples everywhere for a greater share of the good things of life which 20th-century technology has brought within reach of the common man. The newly emerging people from Asia to Africa have equally found themselves confronted with a choice of 20th-century forms of government to adopt or adapt to their particular heritage and conditions—on the one hand, a system of private enterprise with a large admixture of state social welfare; on the other, state enterprise, or statism, with varying degrees of freedom for private ownership and enterprise. In those countries of Africa already independent, we see a diversity of political and social patterns emerging. Significantly, I think, no country in Asia, the Middle East, or Africa has of its own choice embraced communism.

African Response to Challenge of Independence

The people of Africa, both those of Arab and Muslim heritage in the north and of black African stock in the south, have exhibited a remarkable

¹Address made before the 11th annual Bernadotte Institute on International Affairs at Gustavus Adolphus College, St. Peter, Minn., on May 5 (press release 246).

response to the challenges of independence. They have surprised the doubters with their strong sense of responsibility in assuming the burdens of statehood, in general rejecting extremes and establishing governments reasonably responsive to the will of the people. They are exhibiting tremendous energy, willingness to work, and a determination to demonstrate that they are ready for independence. I have just returned from the independence ceremonies in Togo, and I can attest to the enthusiasm and optimism with which the people and leaders of Togo are embarking on their new life.

The Africans are likewise demonstrating a willingness to employ new approaches in meeting their social and political problems and to learn from the experience of others with a long heritage of independence. Some observers are concerned with the degree of experimentation which certain of these countries are undertaking, particularly of a Marxist and Socialist variety. I believe that this might have been predicted, but I also believe that neither the people nor their leaders will, or in fact could, seek ultimately to rely on oppressive forms of government which would completely deny the rights of the individual, nor resume in any other form the political colonialism which they have so recently thrown off. I think it is most heartening that the people of tropical Africa have shown a determination to modify outmoded social patterns like the tribal system, while at the same time they are in general preserving the virtues of this system which give the individual a sense of status and belonging.

Lastly I would note the ability of the African to mature rapidly in both political and economic realms. Largely lacking firsthand experience in such affairs, the new states are using to the fullest the human resources available to them while engaging in an all-out drive to train their people at home and abroad to shoulder unaccustomed responsibilities. Under these conditions it is not surprising that the new leadership of Africa is predominantly a young leadership, relatively lacking in experience but intelligent, enthusiastic, and optimistic.

America's Role in the New Africa

In this new situation the United States is, I think, obviously called upon to exhibit flexibility, imagination, and sympathetic understanding to

adapt its existing patterns of assistance and international relationships to take into account the unique features of the African situation. As a people and a government, we have played, and are playing, an important part in African developments. We are the repository of political ideals of government "of the people, by the people, for the people." The history of our own independence and the political philosophy which the founders of America evolved have been, and continue to be, of tremendous influence on African leaders busy developing their own forms of government. As the world's materially best endowed nation confronting an Africa largely living at the subsistence level, we are by tradition, and by our own self-interest, committed to share some of this well-being and the techniques which made it possible. By so doing we can help make democracy meaningful and fitted to the needs of millions who wish to cast their lot with the free world. Lastly, by reason of our defense potential we are the leaders of the free world and our responsibility and concern for the healthy growth of free societies, free of outside aggression, cannot be shirked.

U.S. Approach Consonant With Needs of Africa

It is basic to the sound conduct of international relations that each country, while projecting and advancing its own fundamental interests and those of its citizens, must seek to understand and accommodate itself to the interests of the other nations of the world family. Where good will is present, a fruitful relationship is the natural result. In our relations with Africa our basic interests coincide significantly and much good will exists. We seek to strengthen individual liberty and to maintain the right of self-determination for all peoples as the fundamentally just and practical approach to a peaceful world. The new African nations share our basic aim to strengthen these rights.

Because most African nations have so recently won freedom from the European colonial powers, there does remain a lingering suspicion of their former colonizers, even though most of them are cooperating in the application of self-determination and in investing millions in African economic development. Prime Minister Kwame Nkrumah of Ghana, for example, has recently spoken of bilateral agreements between former metropolitan powers and African states as "disguised colonial-

ism." This approach seems odd to the American taxpayer, who feels that all such channels of assistance should be kept open and certainly least of all blocked by the recipient nation. Furthermore, the American taxpayer wants to see aid dollars bring maximum benefits to the recipients and feels that bilateral arrangements are often the most effective way of achieving this result without in any way infringing on the sovereignty of an independent recipient country. However, when we reflect on the anticolonial character of African national feeling and the revolutionary character of our own national beginnings, we can understand the African will often prefer multilateral channels of assistance such as the United Nations and its specialized agencies. There do, in fact, appear to be opportunities to accommodate our current assistance procedures to the African preference for multilateral programs.

While we desire to continue bilateral aid worked out in full cooperation with the African nations, the United States has a clear record of support for the multilateral approach to aid to developing areas accomplished through the United Nations technical assistance programs and through the specialized agencies. We are the largest contributor of funds to the various specialized agencies. We furnish voluntarily about 40 percent of the total funds available to the Expanded Technical Assistance Program and to the United Nations Special Fund. Our large share in the budgets of these organizations is a concrete demonstration of our confidence in multilateral programs. Furthermore, we emphasize this confidence by our agreement to maintain this percentage as other countries increase their contributions, committing us to increase our total contribution as others increase theirs. It is our hope that more opportunities will arise for these agencies to contribute to African developmental requirements.

African Requirements

The size of the developmental task is readily outlined. In a continent more than three times the size of the United States with a population of more than 220 million, the average per capita gross national product in 1957 ranged from a high of \$191 in Morocco to a low of \$31 in Somalia. The comparable figure for the United States is \$2,450. It is therefore often hard for us to appreciate the meaning of the phrase "subsistence-level exist-

ence," which describes the life of most Africans. In terms of the daily life of the Somali nomad this means a few handfuls of grain for food and a never-ending trek from waterhole to waterhole with his family and cattle. For the Ethiopian farmer it means poor housing and a meager crop after arduous labor with crude implements. To the lowest Rhodesian copper miner it means a wage of \$30 per month, or to the workers in trade and industry in Tunisia it means a standard wage of 17 cents an hour.

Except for the extractive industries, industrial and commercial activity is for the most part rudimentary. Transportation facilities are sparse; major portions of the continent are isolated from participation in trade and the benefit of economic progress. In all of Africa there are estimated to be only 735,000 miles of roads compared to 3 million miles in the United States.

The climate of large areas supplies either excessive rainfall or none at all. Much of the soil is deficient in mineral and chemical nutrients. The consequent protein and vitamin shortages in human diets result in reduced resistance to endemic diseases such as malaria, sleeping sickness, bilharziasis, yaws, and leprosy, while others take their toll of domestic animals.

To overcome these great problems there are so few Africans trained in the scientific exploitation of known resources that real economic advance is not likely in the foreseeable future without outside help. Illiteracy in some African countries is high, in certain areas over 90 percent. The number of children in school is in many places but a fraction of the total school-age population. Even in the most advanced territories the number of Africans with technical and managerial competence is far short of the essential minimum.

In spite of the enormous tasks, African political developments are proceeding at an accelerated pace with at least seven territories achieving independence in 1960 alone. After political independence economic development becomes the most urgent job of the national leaders. They are called upon to respond to the rising material expectations of their people or to face rejection as political leaders with the likelihood that the leaders replacing them may not be as moderate in their methods. For this reason and because of the remarkable natural talents which the Africans bring to the task they have set themselves, we are challenged to respond adequately with the needed outside help.

But acceptable progress cannot be made until some means is found to provide the necessary technical and managerial skills. In newly independent areas trained people are lacking to replace the civil servants of the former administering power, many of whom withdraw upon independence. Lacking also are the highly trained people needed to run the institutions of planning and development which must assume responsibility for the ambitious tasks set by the Africans. In the long run, of course, Africans will be trained to do the job, but in the meantime additional technicians have to be found to replace those departing or supplement those remaining.

Of equal significance is the supply of investment capital. Large sums are necessary for non-profitmaking but essential facilities, such as ports, highways, communications networks, flood control, and irrigation structures, and for productive and profitmaking projects and services, such as processing of agricultural products, extraction and reduction of minerals, and expansion of manufacturing industries.

U.S. Response to Requirements of Africa

Now let us consider how the United States has been able to respond to the situation which is presented by the needs of the newly independent African nations. Under our mutual security legislation we now operate programs in 13 African nations and territories. By June 30, 1960, we will have about 780 American technicians in all of Africa, and we expect this number to increase to about 1,000 in the coming year. By June 30th, training programs also will have been arranged for over 800 Africans, and we expect an increase to about 1,000 in the next year. However, because economic projects are not planned overnight, particularly in areas where resources are still under exploration, our programs in Africa are not yet as substantial as they should be. Basic scientific knowledge is still lacking about large areas of the continent, and extensive studies will be required before sound decisions to invest are made.

Existing U.S. Government programs do, however, supply useful illustrations of some of the ways we can meet the requirements of technical and managerial skills. In Ethiopia our technical cooperation program has helped establish a broad base of educational institutions and training programs so essential to that country's future de-

velopment. The Imperial Ethiopian Agricultural and Mechanical College, aided by teachers from Oklahoma State University, the Haile Selassie I Public Health Center at Gondar, where our technicians cooperate with those of the World Health Organization, the United Nations Children's Fund, and the Ethiopian Health Ministry, have already made important contributions to the training and health of Ethiopia's people. In Tunisia U.S. technical assistance has helped establish agricultural schools which are training farmers, more than 400 of whom have now returned to their farms. In Libya the development of rural action committees for self-help projects is the direct result of ideas generated by our technicians working in agricultural extension, sanitation, and community development projects. In Ghana the Parliament has passed a resolution praising our assistance in agriculture and expressing appreciation for our aid. These programs provide Americans who can train Africans in the skills they need.

Because of the sudden political emergence of so much of Africa and the enormity of the task of development, we are recommending a new approach during the coming fiscal year to technical cooperation with tropical Africa. That is a \$20 million education fund which is intended to supplement more traditional projects. Aimed directly at the crucial lack of trained personnel, this program is designed to concentrate on key educational and training problems and to include professional training for civil servants, entrepreneurs, and technicians as well as special training through agricultural extension services, community development, and public-health programs. The special program is intended to support multicountry planning in response to regional problems like the tsetse fly, which closes large parts of the continent to livestock development. Other possible regional activities might involve support for various African schools and colleges with programs serving regional needs for educational research, for an educational materials and documentation center, or for a regional English-language training program.

At the same time that we are pursuing these aims through bilateral arrangements, we will, of course, continue as one of the major contributors to the United Nations programs. We should tally here the truly significant work carried out under

these programs. Secretary-General Hammarskjöld said upon his return from his recent visit to 24 African territories:

On the continent of Africa there is the problem of personnel. There is the problem of money. There is the problem of education, and there is the problem of, let us say, moral support in the reshaping and shaping of a nation.

As you can readily see, the Secretary-General's assessment of the African scene is similar to our own. The United Nations, following a line of action similar to ours in responding to these needs, maintained in Africa, in 1959, 600 technical experts and provided fellowships for study abroad to well over 400 Africans. An experimental program, called OPEX, to supply experienced operational and executive personnel to serve as government officials upon request promises a direct response in a sensitive area to critical government personnel needs.

The specialized agencies are also doing increasingly important work in Africa. Among them, the World Health Organization, the United Nations Educational, Scientific and Cultural Organization, the International Labor Organization, and the Food and Agriculture Organization are making their contributions in the form of technical assistance.

U.S. Response to Needs for Investment Capital

In addition to the problems of acquiring technical and managerial personnel for African development, as Secretary-General Hammarskjöld said, "There is the problem of money." Here the natural approach of Western democracies is first of all through private investment channels. But conditions must be attractive, offering political stability, reasonable opportunity to repatriate profits, and freedom from the threat of nationalization. Because of the predominance of private enterprise systems in capital-exporting countries, it would appear to be in the interest of African governments to recognize the pluralistic character of democratic nations, where governments in times of peace have no power to marshal private resources for foreign aid. The African nations themselves, as responsible members of the family of nations, are accommodating to this basic situation in other democratic countries.

Early in the era of independence it is more

difficult for new governments to attract the necessary amounts of capital through private channels. The very fact of their recent independence suggests the need for an interval to assess a new government's attitude toward private investment.

In this situation it is in keeping with our desire to strengthen the independence of these new nations for our Government to contribute to stability. Certainly it is not a normal function of private investors to finance the equipment and training of a police force nor to make a currency-stabilization loan. Likewise, few would consider providing the teachers required to establish a technical school or the doctors to staff a hospital. These fields of activity are the ones to which government should be prepared to address itself in order to help create the conditions of stability which attract private capital.

There is one additional contribution which governments are called upon to make. This results from the classic chicken-and-egg situation. I refer to the stability which results from a satisfactory economic situation which, in turn, is essential if private investment is to be attracted. To achieve this stability a first round of investments must somehow be initiated. One institution which can be helpful in this situation is our Export-Import Bank, originally created to facilitate the overseas transactions of U.S. private enterprise. Today it is serving economic development as well by financing exports, including those directly related to expansion of productive capacities in underdeveloped areas. Because other free-world sources of financing, including the International Bank for Reconstruction and Development, have limitations on their activities, the Development Loan Fund was created under our mutual security legislation. It is intended to provide a flexible source of funds for sound economic development projects which do not fall within the scope of other lending agencies. Export-Import Bank loans for transactions with Africa have amounted to \$240,164,260. Those of the Development Loan Fund have amounted to \$64,090,000 since its founding only 3 years ago. Activities of the Development Loan Fund vary from support for the establishment of a paper-pulp mill in Tunisia to a guaranty of small-business loans by the branch of an American bank in Liberia or the construction of a warehouse in the port of Lagos, Nigeria.

Free-World Response to Africa's Needs

I think it is clear that it is in our national interest that the free world's responses to the needs of the new Africa be positive, timely, and effective. If they are not, we can be sure that these newly independent countries will turn elsewhere and that they will not turn in vain. We already have evidence of the interest and ability of the Communist bloc to provide technical aid and assistance to countries of their choice in Africa. We realize, of course, that such assistance has for its ultimate objective the advancement of the worldwide political objectives of the Communist system. Moreover, it is clear from, for instance, the history of U.S.S.R.-Yugoslav relations in recent years that Soviet aid is turned on and off solely to facilitate current Russian political objectives. But countries lacking almost all the paraphernalia of modern economic and social life cannot be expected to give full weight to these considerations. Indeed, African leaders with whom we have close and friendly relations have indicated clearly that their situation requires that they accept assistance from the materially developed and technically advanced countries of the world without regard to the ideologies of their governments. The President of Guinea, when he was in the United States last fall,² stated that for Africans the world was not divided into the Communist or non-Communist, the free or the unfree, but into the developed and the undeveloped. In their approach to international politics many of the new African countries incline to a policy of "positive neutrality," by which they mean that they want to stand aloof from what they regard as great-power rivalries and concentrate on their own overwhelming problems, the consolidation of their political and economic independence.

To us these attitudes may appear shortsighted, but when we try to look at the world through their eyes, we can see how they arrive at their conclusions and appreciate that they are not based on procommunism or anti-Americanism. This is a

situation, I should like to emphasize, which we welcome, because we are as opposed as are the Africans to making their continent a pawn in the so-called cold war. Our motives and our objectives in responding to the drive of the African people to establish stable, viable, and free societies are positive, not negative. We do not wish to engage in a superficial popularity contest or merely react to Communist initiative, and assistance predicated on such motives would be distasteful to Africans as well.

We are prepared, in cooperation with our free-world colleagues and the United Nations, to develop balanced and adequate programs of economic, technical, and cultural aid designed to meet realistic African needs over the long pull. In this effort the European powers concerned will, we expect, continue to play a major role. It is our hope that these powers will maintain close and cordial relations with those territories which have already acquired, or will soon acquire, independence. In this connection it is important to note that tropical Africa alone is now receiving over \$500 million annually from European countries for major development projects. Assuredly there will continue to be a great need for European capital, technical assistance, and markets. The aid which the United States is able to furnish should supplement and not replace that of Western Europe.

I should like to close on an optimistic note. The countries of Africa which are acquiring independence this year have done so, in general, on the basis of peaceful evolution, consultation, and negotiation with the governing powers, as well as through the good offices of the United Nations in the case of trust territories. As a result there is an important residue of good will on which to build new, imaginative, and peaceful relations. The United States and the American people, in particular, have a history of friendship with Africa. The dramatic developments now taking place on that continent will test the bonds of this friendship and, I feel sure, tie them more firmly. I feel equally sure that the new Africa will respond maturely and positively to our initiatives.

² BULLETIN of Nov. 16, 1959, p. 719.

The Mutual Security Program for Fiscal Year 1961

Statement by Acting Secretary Dillon¹

It is a privilege to appear before you today in support of the President's request for appropriation of funds for the Mutual Security Program.²

As you know, the President asked appropriation of \$4,175,000,000 for the program for fiscal year 1961. As a result of the recommendations of the conference committee on the authorization bill, this amount has been reduced to \$4,086,000,000. We are, therefore, now requesting that amount. Of this sum, \$2,000,000,000 is needed for military assistance; \$700,000,000 for the Development Loan Fund; \$1,236,000,000 for economic and technical assistance; and \$150,000,000 for the contingency fund. Detailed testimony on each will be presented to you by subsequent witnesses.

At this highly dangerous point in history the world scene is dominated by two great groups of powers, each devoted to widely divergent ideologies which are in clear conflict.

One, the Communist bloc, believes that the triumph of its ideology of state control of man's destiny must and should be speeded by any and all possible means.

For our part, we believe in the right of man to choose his way and are prepared to defend and protect that right.

To prevent this confrontation from exploding into global war, it is essential to explore, with infinite patience and persistence, every opportunity to find ways and means for living with each other

in this world, with the sacrifice of neither peace nor freedom. Such an opportunity is afforded by the impending summit meeting.

The opportunity for such discussions—the fact that we are able to talk over problems, however uncertain the prospects for progress—does not exist solely because we prefer it that way. It exists because we have made it clear, in word and deed, that the forceful expansion of the Communist empire, the imposition of its control on other peoples, is intolerable and would meet with determined and effective response. We have made this plain through our own strong defenses, by our entry and participation in joint and collective defense arrangements, and by our mutual security programs to provide arms and equipment for the men of other nations who stand ready with us to defend free-world ideals. Our policies and programs are concrete evidence, to both our friends and our enemies, of our determination and capability. It is because of them that the opportunity to seek peaceful settlements still exists. Without them what barrier to Communist expansion and our ultimate subjection would exist?

Economic Aid to Developing Nations

There is another and equally important barrier we have erected to Communist dreams of world domination: our economic assistance programs to millions of people in the free world who have but recently begun to emerge from centuries of oppression or neglect. To them, escape from poverty and privation has become a primary goal which can and must be attained. Their principal aim in life today is material improvement. If progress does not come under free institutions,

¹ Made before the Senate Appropriations Committee on May 13 (press release 264).

² For text of the President's message to Congress of Feb. 16, see BULLETIN of Mar. 7, 1960, p. 369; for an excerpt from a special message of May 3, see *ibid.*, May 23, 1960, p. 837.

progress will be sought through other means. Communism is eagerly offering them such a means.

We can be certain that Soviet leaders will seize all possible opportunities to penetrate and subvert the free world, particularly its newly developing sector. They fully intend to move forward under the guise of what they call "peaceful coexistence." We have their word for it. The true meaning of "peaceful coexistence" was recently spelled out with surprising candor by a high Soviet official,³ who emphatically denied that "peaceful coexistence" means noninterference in the internal affairs of other states. On May 1st *Pravda*, the official organ of the Communist Party of the U.S.S.R., quoted this official as saying, in typical Communist language:

Recently, some people in the West have been trying to assert that peaceful coexistence must be broadened to include even the internal political life of the countries of capitalism. . . . But this is an obvious distortion of the basic principles of Marxism-Leninism. . . . Even in conditions of the peaceful coexistence of states on the world scene, the class war in the countries of capitalism will not be extinguished but, on the contrary, will become sharper.

This, in effect, is a directive to the forces of world communism to step up their efforts to undermine independent governments and free institutions. Soviet aid programs in support of these forces in the newly developing countries can be expected to grow.

In the face of this clear Communist intent, we must continue our own efforts to help promote political, social, and economic growth in the newly developing lands within a framework of freedom. Our past and present mutual security programs have proved their worth in helping to meet the long-deferred and wholly legitimate demands of millions of human beings for an existence which is compatible with the dignity of man. Their continuation at adequate levels is dictated by plain common sense.

Outline of Major Requests

I would like to outline briefly the need for the major requests before you:

First, the \$2 billion sought for military assistance is urgently required if the level of deliveries of equipment of the past several years is not to be sharply reduced. Appropriations of

³ B. Ponamarev, who directs the Central Committee apparatus dealing with foreign Communist parties.

much larger amounts many years ago made it possible to maintain an annual level of over \$2 billion despite smaller recent appropriations. These reduced appropriations—and particularly the very severe cut in the amount requested last year—have eliminated the possibility of future reliance on the pipeline. They have, in fact, necessitated a substantial reduction in equipment and materiel supplied to our allies this year.

Provision of \$2 billion will make it possible to maintain the fighting forces of our allies and to share with them in the costs of essential modernization with new weapons. This sum represents a judgment of the minimum necessary for our security. It was reached after the most careful consideration by a committee of experts outside government and by our military authorities. It takes fully into account the increasing capability of some of our allies to meet a greater share of the common defense burden. Without this amount, we will face the prospect of a progressive weakening of our common defense, which may be interpreted by both our friends and our enemies as a lessening of our will to withstand the pressures of aggression.

The Joint Chiefs of Staff have gone on record that provision of these funds equals in importance those provided for our own defense forces. I tell you in all sincerity that all of these funds are necessary if we are to have adequate defenses. Certainly the very moment when the Soviet leaders are once again threatening our allies with rocket attacks is no time for us to tell these allies that the United States no longer has the will to provide the assistance they need for the common defense against Communist aggression.

The amount sought for the Development Loan Fund is less than the available authorization. It is in our judgment the minimum required for a reasonable rate of progress in the emerging nations of the world. The Fund is now a going concern. Its procedures and organization are smoothly in gear. It is functioning effectively. The capital requested is modest. Although we recognize the growing capacity and willingness of other industrialized nations to share in the work of helping the less fortunate nations, we must continue to provide leadership in this great task. As the President said recently: "The very moment when

⁴ BULLETIN of May 23, 1960, p. 811.

other countries are recognizing their responsibilities is no time for us to walk away from our own."

For the balance of the program—economic and technical assistance, other programs, and the contingency fund—we are also asking minimal appropriations:

For defense support we are asking \$20 million less than was appropriated last year—reflecting a modest improvement in the economies of some recipient countries.

For special assistance we are asking \$11 million more than was appropriated last year, in response to the needs of newly emerging sub-Sahara Africa.

For technical cooperation we are asking an increase of just over \$25 million, largely concentrated in Africa.

For various multilateral and other programs—such as aid to refugees and escapees, atoms for peace, and administrative expenses—we are asking slightly less than \$99 million of new appropriations, or approximately last year's level.

For the contingency fund we are asking \$150 million, which compares with an appropriation of \$155 million last year. This fund has been one of the most useful and essential elements of the Mutual Security Program. It supplies that margin of flexibility which is so essential to effective administration of the program. It is primarily needed and has been primarily used to deal with newly developing and unforeseen situations which arise during the course of the fiscal year. It also enables the President to provide assistance in amounts larger than those specifically appropriated by the Congress for various categories of aid when, in his judgment, such action will serve the purposes of the legislation and is important to the security of the United States.

All of these programs of economic and technical assistance have been as tightly budgeted as we believed possible, and the appropriation of the full amounts requested is necessary.

In sum, gentlemen, we need the money requested to do the job and to carry out the programs authorized by the Congress. We also need—and the

world needs—a reaffirmation of the readiness and determination of the United States to meet its responsibilities and to defend and protect its way of life. Such reaffirmation can best be provided by the unmistakable act of appropriation.

Thank you.

President Signs Mutual Security Authorization Bill

Statement by President Eisenhower¹

I have signed into law the Mutual Security Act of 1960.

I am highly gratified by the action of the Congress on this measure. The act embodies essentially all of the requests I have put forward as necessary for the successful continuation of the Mutual Security Program, and, with one regrettable exception,² the Congress has resisted the addition of amendments which would adversely affect our foreign relations or impair the administration of the program.

I believe it is impressive that, after extensive and searching hearings on the bill conducted by the authorizing committees of both Houses, the Congress concluded that substantially all of the funds requested are necessary for carrying forward important economic aspects of the program. The same high degree of responsibility and regard for our national interests will, I trust, result in not only the full sums now authorized for certain economic programs but also in the full appropriations which I have requested as necessary to provide for the Development Loan Fund and the military assistance program.

¹ Made on May 14 (White House press release dated May 16) upon the signing of H.R. 11510, a bill to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

² For text of a letter of May 2 from Acting Secretary Dillon to Senator J. W. Fulbright on the freedom-of-navigation amendment, see BULLETIN of May 23, 1960, p. 832.

Sino-Soviet Bloc Trade and Its Implications for the United States

*Statement by Thomas C. Mann
Assistant Secretary for Economic Affairs¹*

United States policies on trade with the countries of the Sino-Soviet bloc fall in a special category for the purposes of this committee's examination of United States foreign trade, and I am glad to have an opportunity to discuss these policies with this committee.

First, there is the question of trade with Communist China. The United States Government has maintained a virtually complete embargo on trade and financial transactions with Communist China and north Korea since 1950. This trade embargo is an integral part of the general United States policy of nonrecognition of Communist China.

Our trade policy with that area is both substantive and symbolic of the firmness of United States purposes in the Far East. It is designed to hinder as much as possible the rapid buildup of Communist China's military power and its industrial base and, in a broader political sense, to limit the expansion of its influence with free-world countries.

Any relaxation in the United States trade embargo would be widely regarded throughout the world as evidence of a fundamental change in the United States attitude toward Communist China and as a harbinger of a possible political accommodation. In countries friendly to the United States, pressures would be unleashed to seek a similar accommodation with Peiping. This would tend to set in motion political and economic changes all tending to weaken our influence while strengthening that of Peiping and opening the

way to Communist Chinese penetration into the vulnerable, less developed areas, particularly of the Far East.

The policy on trade with the European Soviet bloc is more flexible because it does not involve the same political imperatives which affect our relations with Communist China. However, the United States does have certain necessary restrictions on its trade relations with the European Soviet bloc. These restrictions do not constitute a significant burden on the potential total volume of United States-Soviet-bloc trade. The President has made it clear that the United States favors the expansion of peaceful trade with the Soviet Union and other countries of the European Soviet bloc.

The United States stands ready to sell a wide range of nonstrategic commodities to the European Soviet-bloc countries at any time that they wish to buy them and are in a position to pay for them. The only limitations imposed on exports are limitations required for purposes of national security. The United States strategic export controls are intended to prevent the Soviet bloc from acquiring materials and technology which would contribute significantly to their military potential.

As the committee is undoubtedly aware, the security export controls exercised by the United States Government are generally paralleled by the controls of other important trading countries of the world either through the operations of the multilateral Coordinating Committee (COCOM) or through administration of the provisions of the Mutual Defense Assistance Control Act of 1951 (Battle Act). The controls on direct exports of strategic commodities to the Soviet bloc are sup-

¹ Made before the Senate Interstate and Foreign Commerce Committee on May 5 (press release 244).

plemented by financial and transshipment controls designed to prevent unauthorized diversions from free-world destinations to the Soviet bloc.

The principal legislative or administrative restrictions of a nonsecurity character are the provisions of the Trade Agreements Extension Act of 1951 and the Johnson Act of 1934. Under the former act, section 5 requires the withdrawal of trade-agreement benefits from the U.S.S.R. and other Soviet-bloc countries and thus prevents the application of most-favored-nation tariff treatment to imports from those areas. Section 11 of the Trade Agreements Extension Act explicitly prohibits the importation of certain dressed and undressed furs and fur skins from the Soviet Union and Communist China.

The Johnson Act has the effect of preventing private credits other than normal short-term (180 days) commercial credits to countries which are in default on debts to the United States Government and are not members of the International Bank for Reconstruction and Development and the International Monetary Fund. The Soviet Union and certain other countries of the European Soviet bloc are affected by this law.

In addition, a Treasury finding was made in 1951 that Soviet canned crabmeat was produced by convict, forced, and indentured labor; accordingly, in conformity with the mandatory provisions of section 307 of the Tariff Act of 1930, imports of Soviet canned crabmeat are prohibited from entry into the United States. The administration is of course alert to the possible applicability of the antidumping provisions administered by the Treasury Department.

U.S. Would Welcome East-West Trade

So much for the limitations by the United States on trade with the countries of the Sino-Soviet bloc. I pointed out earlier that such trade controls do not constitute a significant obstacle to the expansion of the general level of trade between this country and the bloc. The United States would welcome a higher level of East-West trade. The low level of such trade is, in our view, the result of conscious policy on the part of the Soviet Union and its European satellites. They confine their import interest to a narrow range of capital goods and technology and agricultural or industrial raw materials for which there may be a temporary import requirement.

United States exports to Eastern Europe, including the Soviet Union, have increased from \$11.2 million in 1956 to \$112.6 million in 1958 and \$90 million in 1959. In the latter 2 years United States exports to Poland represent the largest portion, reflecting exports financed out of credit and agricultural sales agreements with Poland. They also reflect the more liberal export policy applied to Poland, which permits exports of commodities essential to the Polish civilian economy.

United States exports to the Soviet Union and other Eastern European countries for the fourth quarter of 1959 were valued at \$20.5 million, representing only 0.4 percent of total United States exports, whereas imports from the same Eastern European countries were valued at \$18.2 million, representing only 0.5 percent of total United States imports.

From a purely economic standpoint, the true limitation on the magnitude of United States exports to Eastern Europe is the ability of these countries to earn dollars through exports to the United States or to other hard-currency markets. The demand in American markets for commodities of Eastern European origin or manufacture appears to be somewhat limited. A more active policy of sales promotion by these countries in the American market would probably increase somewhat the general level of trade, but the increase could not be expected to be large.

The economic and political implications of the continued expansion of the trade of the Soviet Union with free-world countries can most clearly be seen if we consider them under four headings. I suggest that we look at the relationship of this trade to Soviet internal economic development, to Soviet relations with the industrialized countries of Western Europe and with Japan, to Soviet relations with the newly developing countries, and to American exports to third countries.

Foreign Trade and the Soviet Economy

Let us turn first to the role of foreign trade with respect to the Soviet economy itself. Probably the most important gain the Soviet Union can make from its trading relations with countries outside the bloc is the acquisition of advanced machinery and technology. It is sometimes believed that, since the Soviet Union can send a rocket to the moon, it must be technologically at least as advanced as Western countries. In fact, however,

Soviet development has been most uneven; its impressive achievements have been attained at the cost of the neglect of other areas of development. Soviet backwardness is most evident in the fields which serve consumers. Certain fields of basic industry have been developed rapidly; other areas have been left almost untouched. What may be of even greater importance is the fact that, although some processes in those fields in which great progress has been made may be technically on a par with those in the West, other processes are still carried on in primitive ways. Thus, for example, while the best Soviet iron and steel installations achieve more impressive results in some respects than Western mills, many auxiliary operations are carried on with very little or no mechanization.

The process of Soviet economic development has been, by and large, one of reproducing the industrial structure of Western countries and not that of finding new materials and production techniques of a sort appropriate to "socialism." And this is true despite Soviet claims of doing the latter.

After the Soviet Union has learned from the West what path it should follow in its economic development, it can still gain a very great deal by trading with the West. It would undoubtedly be possible, for example, for the Soviet Union in time to reproduce recent Western advances in plastics and synthetic-fiber technology. Basic laboratory processes are either well known or can be learned without undue difficulty. But there is a tremendous job of engineering which must be done before laboratory processes can be adapted to the industrial production of plastics and synthetic fibers. Since time is of the essence in a "race with capitalism," it is greatly to the advantage of the Soviets if they can buy advanced technology in this as in other fields.

Another important function which extra bloc trade has for the internal economic development of the Soviet Union is to make up for errors or shortfalls in planning. Some finished or semi-finished industrial products either turn out to be in short supply or are overlooked in the physical output planning of the Soviet Union. In many cases it is both faster and more convenient to fill these gaps through imports than by producing them.

As examples of the technological type of assistance gained through trade by the Soviet economy,

we may note that in its trade agreements for 1960 the U.S.S.R. has provided for imports of synthetic plants, tire-cord plants, petrochemical plants, coal mining and sorting machinery, a high- and a low-pressure polyethylene plant, a polypropylene plant, automation machines, electric calculators, and similar sophisticated production goods. As examples of Soviet imports to fill in gaps in domestic production, we may note Soviet purchases of large-diameter steel pipe, deep-drawing steel sheets, and special rolled steel shapes.

We should note that the Soviet system of foreign trade, based on a complete state monopoly, enables the U.S.S.R. to purchase items it needs without developing the sort of long-term, stable relationship of interdependence which characterizes international trade among the industrialized nations of the free world. The fact that foreign trade is conducted by organs of the Soviet Government means that the political power of the Soviet Union is a factor in what would otherwise be normal commercial relations; similarly, the Government of the U.S.S.R. is able to use its commercial dealings for various political purposes.

Soviet Relations With Industrialized Countries

Let us now consider Soviet economic relations with the industrialized countries of Western Europe and Japan. The Soviet Union is able to work toward a major political objective—the splintering of the cohesion of the principal industrial countries—by playing on commercial rivalries. It can make attractive offers to one country of the group, which tempt that country to violate its obligations under COCOM. It can also set businessmen at odds with their governments, and in general it can sharpen commercial rivalries for its own political benefit.

The Soviet Union would have others believe that it seeks to expand trading relations in order to foster good political relations. It manages to achieve a linking of the profit motive with the natural desire of reasonable men for a relaxation of tensions.

I do not wish to suggest that all Soviet trade with the industrialized countries is wholly governed by the considerations I have mentioned. There is a natural complementarism between the Soviet economy and the economies of Western Europe. But it should be noted that not only are price considerations relatively unimportant in

Soviet foreign trade but the wishes and preferences of Soviet consumers receive no serious consideration. Furthermore, as a large bulk trader the Soviet Union has sometimes shown itself at least an inconsiderate supplier. There seems to be no conclusive evidence that the Soviet Union has as yet followed a deliberate policy of dumping in the usual sense, but its operations have on occasion proved unsettling to normal trade relationships.

Relations With Less Developed Countries

My third point relates to Soviet-bloc trade relations with the less developed countries. Until the latter half of the 1950's the Soviet Union showed little interest in developing trade relations with the newly emerging countries. Even such import essentials as rubber were bought not directly from the producing countries but on the London market. Beginning in 1954, however, the U.S.S.R. began to expand its trade relations with the newly developing countries, combining this trade offensive with extensive offers of "aid." The trade-aid offensive is, in fact, a carefully integrated whole. Soviet aid has with few exceptions taken the form of long-term credits, repayable essentially in raw materials produced by these countries. Its exports of manufactured goods to them, similarly, have normally been possible only as a part of these bilateral transactions.

The Soviet Union has on occasion appeared on the markets of the newly developing countries as an unexpected rescuer, a "buyer of last resort." It has more often professed its willingness to purchase otherwise unsalable surpluses of raw materials. Its complete control of its foreign trade activities gives the Soviet Government much greater freedom in contracting for these surpluses than is enjoyed by free-enterprise economies. Moreover, the very fact that until 1954 the U.S.S.R. had withdrawn from world trade to a very large extent gave its offers the added impact of novelty and unexpectedness.

Because it can open, break off, and shift its trade relations without regard to any interests other than its own, the Soviet Union is often able to make greater political use of its trade potential than is possible for countries for which trading is a private activity. It has found a way to make the flag follow trade as a means for establishing its presence in areas with which it has not previously had trade relations. The Soviet Union has

found trade agreements and trade missions extremely useful tools for establishing its political influence.

Because it can direct its trade as it wishes, the Soviet Union has been able to concentrate the main impact of its trade offensive on a relatively small number of countries. Its total trade with the free world is only a small percentage of overall free-world trade, but its share of the foreign trade of such sensitive countries as Guinea, Afghanistan, Egypt, and Iceland is proportionately quite large. The political effectiveness of Soviet trade is, therefore, by no means measurable in terms of its percentage share in total free-world trade.

Competition on Exports to Third Countries

Now I turn to the question of Soviet competition with American exports in third countries. The Sino-Soviet bloc is not a major competitor of the United States in world markets, and it is hardly capable of displacing the United States in all markets. Nevertheless, in any area in which it wishes to concentrate its efforts the Soviet Union can offer competition with American exports. We have already seen that, as a supplier of raw materials to the industrialized countries, the Soviet Union can add to its geographical proximity and to its natural advantages a complete independence of the kind of cost-and-price considerations which motivate private traders. It has, for example, been willing to offer oil at a price quoted at 25 cents a barrel below Persian Gulf posted prices. In general, it can quote prices without regard to domestic costs. Specific exchanges of this kind are not even, in the special situation of the Soviet Union, necessarily uneconomic. The goods it acquires in exchange for its exports may be and as a rule are of crucial importance to the Soviet planners. The goods which it sells are those with which it can most easily dispense, and there is no governing price relationship between these two categories of goods for the simple reason that there is no internal market in the Soviet Union to regulate the distribution of goods or the cost of labor.

It would be hazardous in the extreme to make any quantitative predictions of the further expansion of Soviet trade. The industrialized countries are eager to expand their exports, and in order to export they are willing to import. The underdeveloped countries must expand their export earnings, and some of them may consider that

trade relations with "both camps" are a harmless sign of newly won independence.

Accordingly it seems most likely that the Soviet Union will continue to be able to equip itself with the latest achievements of Western inventive ability and engineering skill at a price which it can easily afford to pay. It may well be able to establish and expand trading relationships with the newly developing countries and thereby improve its prospects of extending its political influence over them.

Although the potential expansion of Sino-Soviet bloc trade competition raises the problems I have mentioned—including particularly that of competition in the limited areas upon which the Soviet Union chooses to concentrate—there are certain factors which should serve to render these problems manageable for the United States. We have a dynamic and expanding economy oriented to production for free markets. We have unparalleled research facilities specifically directed to the development of new products for the satisfaction of human wants. We are used to the principle of competition, and we know how to sell competitively abroad as well as at home. We are participating, through our trade agreements program, in a broad multilateral effort to lower trade barriers and to foster the expansion of world trade. We have an established network of trading relations and a good reputation as a valued customer and a reliable supplier of quality products. The Sino-Soviet bloc has none of these advantages.

Furthermore, our trade, aid, and mutual security policies are parts of a whole. Together they enable other free countries, which might not otherwise have the strength to do so, to resist Sino-Soviet bloc attempts to undermine their independence by exerting political pressure, by proffering investment and technical assistance, by offering to trade on noncommercial terms, or by a combination of these methods. Our mutual security, aid, and trade policies, adapted as appropriate to meet the requirements of specific situations, give us room for optimism that Sino-Soviet bloc capabilities in the field of trade need not pose an unanswerable challenge to the United States.

By keeping its markets open to others, by assisting less developed countries to diversify their exports and to accelerate their economic development, and by joining with other free-world countries to reduce trade barriers throughout the free world, the United States can increase the ability of all free-world countries to maintain their economic and political freedom and independence.

Congressional Documents Relating to Foreign Policy

86th Congress, 2d Session

Extension of Mexican Farm Labor Program. Hearings before the Subcommittee on Equipment, Supplies, and Manpower of the House Committee on Agriculture on H.R. 9869, H.R. 9871, H.R. 9875, H.R. 10093, H.R. 10601, H.R. 11211, H.R. 11225, H.R. 11239, H.R. 11291, H.R. 11296, H.R. 11312, H.R. 11313, H.R. 11367, H.R. 11373, H.R. 11429, and H.R. 11536. Serial TT. March 22-31, 1960. 429 pp.

Czechoslovakian Claims Fund. Hearing before the Senate Committee on Foreign Relations on S. 3008, a bill to amend title IV of the International Claims Settlement Act of 1949, as amended. April 12, 1960. 84 pp.

Twenty-Third Semiannual Report on Educational Exchange Activities. Letter from the Chairman, U.S. Advisory Commission on Educational Exchange, transmitting the report for the period July 1-December 31, 1959. H. Doc. 379. April 18, 1960. 43 pp.

Legislative Program. Message from the President relative to the legislative program. H. Doc. 385. May 3, 1960. 8 pp.

Agreement With India for Avoidance of Double Taxation With Respect to Taxes on Income. Message from the President transmitting the agreement signed at Washington on November 10, 1959. S. Ex. H. May 6, 1960. 15 pp.

Mutual Security Act of 1960. Conference report to accompany H.R. 11510. H. Rept. 1593. May 6, 1960. 21 pp.

Sale of Vessels to Republic of China. Conference report to accompany H.R. 8042. H. Rept. 1600. May 11, 1960. 2 pp.

Shrimp Conservation Act. Report to accompany S. 2867. S. Rept. 1346. May 12, 1960. 7 pp.

International Development Association Act. Report to accompany S. 3074. S. Rept. 1349. May 13, 1960. 9 pp.

Trading With the Enemy Act. Report of the Senate Judiciary Committee made by its Subcommittee To Examine and Review the Administration of the Trading With the Enemy Act pursuant to S. Res. 56, 86th Congress, 1st session, as extended, together with individual views. S. Rept. 1390. May 18, 1960. 8 pp.

Providing for Adjustments in Annuities Under the Foreign Service Retirement and Disability System. Report to accompany S. 1502. H. Rept. 1626. May 18, 1960. 3 pp.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

Calendar of International Conferences and Meetings ¹

Adjourned During May 1960

Meeting of Experts on the Inter-American Telecommunications Network and ITU/CCITT Plan Subcommittee.	México, D.F.	Apr. 19-May 6
U.N. ECOSOC Statistical Commission: 11th Session	New York	Apr. 20-May 6
U.N. Economic Commission for Europe: 15th Session	Geneva	Apr. 20-May 6
ILO Petroleum Committee: 6th Session	Geneva	Apr. 25-May 6
U.N. ECOSOC Commission on Narcotic Drugs: 15th Session	Geneva	Apr. 25-May 13
ICAO Panel of Teletypewriter Specialists: 4th Meeting	Montreal	Apr. 25-May 14
ICEM Executive Committee: 15th Session	Naples	Apr. 26-May 4
U.N. ECAFE Committee on Industry and Natural Resources: 4th Session of Mineral Resources Development Subcommittee.	Tokyo	Apr. 26-May 5
North Atlantic Council: Ministerial Meeting	Istanbul	May 2-3
FAO Group on Citrus Fruits: 1st Session	Madrid	May 2-11
U.N. ECOSOC Commission on Commodity Trade: 8th Session	New York	May 2-13
GATT Committee on Balance-of-Payments Restrictions	Geneva	May 2-28
13th World Health Assembly	Geneva	May 3-20
13th International Cannes Film Festival	Cannes	May 4-20
International Rubber Study Group: 62d Meeting of Management Committee.	London	May 5-6
ICEM Council: 12th Session	Naples	May 5-14
GATT Committee II on Expansion of International Trade	Geneva	May 9-13
FAO Advisory Campaign Committee on Freedom From Hunger	Rome	May 9-14
UNESCO/ILO Committee of Experts on Neighboring Rights	The Hague	May 9-21
IAEA Symposium on Fuel Element Fabrication With Special Emphasis on Cladding Materials.	Vienna	May 10-13
UNESCO Advisory Committee on the 3d Major Project on Arid Zone Research and Symposium on Arid Zone Problems.	Paris	May 10-20
UNESCO Symposium on Arid Land Problems	Paris	May 11-18
FAO/ECE Meeting on Problems of Methodology and Definitions in Agricultural Statistics in European Countries.	Geneva	May 16-20
Meetings of Chiefs of State and Heads of Government	Paris	May 16-17
U.N. ECE Working Group on Coordination of Agricultural Statistics.	Geneva	May 16-20
UPU Executive and Liaison Committee	Bern	May 16-28
International Cotton Advisory Committee: 1st Session of Committee on Extra-Long-Staple Cotton.	México, D.F.	May 18-23
FAO Group on Coconut and Coconut Products: Working Party on Copra Quality and Grading.	Rome	May 18-20
ITU/CCITT Study Group 2/1	Geneva	May 18-25
North Atlantic Council: Ministerial Meeting	Paris	May 19 (1 day)
8th Pan American Highway Congress	Bogotá	May 20-29
ILO Governing Body: 145th Session	Geneva	May 23-28*
FAO Group on Coconut and Coconut Products: 3d Session	Rome	May 23-31
SEATO Military Advisers	Washington	May 25-27
U.N. Special Fund: 4th Session of Governing Council	New York	May 25-27

In Session as of May 31, 1960

Conference on the Discontinuance of Nuclear Weapons Tests	Geneva	Oct. 31, 1958-
Ten-Nation Disarmament Committee	Geneva	Mar. 15-
U.N. Trusteeship Council: 26th Session	New York	Apr. 14-

¹ Prepared in the Office of International Conferences, May 20, 1960. Asterisks indicate tentative dates. Following is a list of abbreviations: CCITT, Comité consultatif international télégraphique et téléphonique; ECAFE, Economic Commission for Asia and the Far East; ECE, Economic Commission for Europe; ECOSOC, Economic and Social Council; FAO, Food and Agriculture Organization; GATT, General Agreement on Tariffs and Trade; IAEA, International Atomic Energy Agency; IA-ECOSOC, Inter-American Economic and Social Council; IBE, International Bureau of Education; ICAO, International Civil Aviation Organization; ICEM, Intergovernmental Committee for European Migration; ILO, International Labor Organization; IMCO, Intergovernmental Maritime Consultative Organization; ITU, International Telecommunication Union; NATO, North Atlantic Treaty Organization; PAHO, Pan American Health Organization; SEATO, Southeast Asia Treaty Organization; U.N., United Nations; UNESCO, United Nations Educational, Scientific and Cultural Organization; UNICEF, United Nations Children's Fund; UPU, Universal Postal Union; WHO, World Health Organization; WMO, World Meteorological Organization.

GATT Contracting Parties: 16th Session	Geneva	May 16-
IMCO International Conference on Safety of Life at Sea	London	May 17-
ICAO Panel on Origin-and-Destination Statistics: 2d Meeting	Montreal	May 23-
International Cotton Advisory Committee: 19th Plenary Meeting	México, D.F.	May 23-
U.N. Tin Conference	New York	May 23-
International Union for the Protection of Industrial Property: 24th Congress	London	May 28-
ITU Administrative Council: 15th Session	Geneva	May 28-
International Commission for Northwest Atlantic Fisheries: 10th Meeting	Bergen, Norway	May 30-
International Commission on Irrigation, Flood Control, and Drainage: 4th Congress	Madrid	May 30-
U.N. ECE Working Party on Mechanization of Agriculture	Geneva	May 30-
SEATO Council: 6th Meeting	Washington	May 31-

Scheduled June 1 Through August 31, 1960

FAO Group on Grains: 5th Meeting	Rome	June 1-
International Labor Conference: 44th Session	Geneva	June 1-
World Power Conference: 13th Sectional Meeting	Madrid	June 5-
U.N. ECE Housing Committee: 20th Session (and Working Parties)	Geneva	June 6-
FAO Committee on Commodity Problem: 33d Session	Rome	June 7-
UNESCO Committee of Governmental Experts on a Draft International Convention and Draft Recommendations on Various Aspects of Discrimination in Education	Paris	June 12-
7th Annual Electronic, Nuclear, and Cinematographic Exposition	Rome	June 13-
U.N. ECE Subcommittee on Road Transport: Working Party on Construction of Vehicles	Geneva	June 13-
IAEA Board of Governors: 17th Session	Vienna	June 14-
International Conference on Large Electric Systems: 18th General Assembly	Paris	June 15-
U.N. ECE Coal Committee: 50th Session	Geneva	June 20-
U.N. ECE Rapporteurs on Comparisons of Systems of National Accounts	Geneva	June 20-
U.N. ECOSOC Consultants on Standardization of Cartographic Names	New York	June 20-
International Whaling Commission: 12th Meeting	London	June 20-
10th International Berlin Film Festival	Berlin	June 24-
ILO Governing Body: 146th Session	Geneva	June 24-
GATT Working Party on Polish Participation in the Tariff Conference	Geneva	June 27-
International Association for Bridge and Structural Engineering: 6th Congress	Stockholm	June 27-
WMO Executive Committee: 12th Session	Geneva	June 27-
UPU Consultative Committee on Postal Studies: Annual Meeting of Management Council	Eastbourne, England	June 27-
U.N. ECE Steel Committee: 24th Session	Geneva	June 27-
International Wheat Council: 30th Session	London	June 28-
IA-ECOSOC Permanent Technical Committee on Ports: 3d Meeting	Rio de Janeiro	June
Inter-American Seminar on Strengthening the Family Institution	Caracas	June
International Lead and Zinc Study Group: 2d Session of Standing Committee	New York	June
Permanent International Commission of Navigation Congresses: Annual Meeting	Brussels	June
7th International Meeting of Tonnage Measurement Experts	Europe	June
UNICEF Committee on Administrative Budget	New York	June
GATT Committee on Balance-of-Payments Restrictions	Geneva	July 4-
Development Assistance Group: 2d Meeting	Bonn	July 5*-
U.N. Economic and Social Council: 30th Session	Geneva	July 5-
UNESCO/IBE: 23d Conference on Public Education	Geneva	July 6-
IBE Council: 26th Session	Geneva	July 9-
Caribbean Commission: 30th Meeting	San Juan	July 11-
8th International Grassland Congress	Reading, England	July 11-
Inter-American Nuclear Energy Commission: 2d Meeting	Petropolis, Brazil	July 11-
U.N. ECOSOC Ministerial-Level Meeting	Geneva	July 11-
UNESCO Intergovernmental Conference on International Oceanographic Ships	Denmark	July 11-
South Pacific Commission: 11th Meeting of South Pacific Research Council	Nouméa, New Caledonia	July 12-
Latin American Symposium on Nuclear Energy	Petropolis and Brasilia	July 18-
International Sugar Council: 7th Session	London	July 18-
GATT Intersessional Committee	Geneva	July 18-
International Union of Geodesy and Geophysics: 12th General Assembly	Helsinki	July 25-

Calendar of International Conferences and Meetings—Continued

Scheduled June 1 Through August 31, 1960—Continued

Inter-American Indian Institute: Governing Board	México, D.F.	July
U.N. ECOSOC Technical Assistance Committee	Geneva.	July
3d FAO Latin American Meeting on Soils and Fertilizers	Raleigh, N.C.	Aug. 1-
U.N. ECE Committee on Agricultural Problems: Working Party on Standardization of Conditions of Sale for Cereals.	Geneva.	Aug. 1-
FAO Latin American Forestry Commission: 7th Session	undetermined	Aug. 5-
5th Inter-American Conference on Agriculture (to be held jointly with 6th Regional Conference for Latin America).	México, D.F.	Aug. 8-
2d U.N. Conference on Prevention of Crime and Treatment of Offenders.	London	Aug. 8-
PAHO Directing Council: 12th Meeting	Habana	Aug. 14-
Regional Committee of WHO for the Americas: 12th Meeting	Habana	Aug. 14-
International Union of Crystallography: 5th General Assembly	Cambridge, England	Aug. 15-
21st International Geological Congress	Copenhagen	Aug. 15-
7th International Congress of Soil Science	Madison, Wis.	Aug. 15-
5th World Forestry Congress	Seattle	Aug. 29-
U.N. Ad Hoc Committee of General Assembly To Consider General Questions of Transmission of Information.	New York	Aug. 29-

Opportunities for Cooperation on Behalf of New States

Following is a statement made on April 14 at the 29th session of the U.N. Economic and Social Council by Christopher H. Phillips, U.S. Representative, during debate on the item "Opportunities for International Cooperation on Behalf of Former Trust Territories and Newly Independent States," together with the text of a resolution adopted by the Council that day.

STATEMENT BY MR. PHILLIPS

U.S./U.N. press release 3385

Close to 900 million people have found national independence since 1918, most of them since the end of the Second World War. The process which began in the Middle East and in Asia is now repeating itself at an accelerated rate in Africa. One of the first official acts of any of these newly created states is usually to seek admission to the United Nations. We are happy to receive them. Once the flag of a new state is raised in front of this great building, its representatives add their voices to those demanding that special attention be given to the economic and social needs of the less developed countries.

This is only natural. The problems of these new states are many, but they are also one. The difficulties, the needs, the ills of many of the coun-

tries and the emerging territories are practically all translated into the same problem of development, or, more specifically, of economic development. But such simplification of the definition of the scope of the problem does not simplify the problem itself.

I shall address myself today specifically to the situation in Africa, for this is the area which the General Assembly had primarily in mind when at its 14th session it approved Resolutions 1414 and 1415 asking the Council and the Secretary-General to give special consideration to the needs and aspirations of former trust territories which had become independent and of other newly independent states.

It is hardly necessary in this forum to point out the magnitude of the problem of economic development in Africa. The real impetus for the development of Africa comes out of the yearning of some 200 million people to shake off the weight of ignorance and disease and all those other factors which have prevented them from enjoying a better life. This surge within 200 million individuals adds up to a movement of tidal force. It is the kind of force, I may say, which had a large part in the building of my own country. It was the force that sent the early American pioneers into the wilderness looking through the sternest of toil for a better life, the kind of force which made every American want to improve his lot and willing to work to do so. My countrymen under-

stand the African's intense desire to advance not only politically but also economically and socially, and my countrymen are anxious to help him in his quest.

Responsibility To Aid in Development

We recognize and accept the fact that the countries of Africa newly arrived to statehood will need both moral support and material help from the U.N. organizations. Their newly found political independence must be buttressed and strengthened by sound economic growth and social progress in assured freedom. Much can and is being done by the aid efforts of the former administering powers and by other countries, big and small—including my own—which for some time have known the blessings of freedom and the fuller life which it makes possible. But, beyond this, the fact cannot be shirked that the U.N. and its associated organizations have a special responsibility in aiding the newly emerging states and that their contribution to the development of these states may well be of crucial importance. Having had the privilege, earlier this year, to attend the second session of the Economic Commission for Africa,¹ I know that our African friends themselves look with high hopes to the family of United Nations organizations for assistance. Indeed, we have a collective responsibility, for in many cases the U.N. has had an important share in paving the way to self-government and to independence.

It is not only up to us to do something, but it is up to us to do it now. The individual who yearns for a better life for himself and his children is not likely to be satisfied with the hope of something for his grandchildren, and it might not take long for his yearning to change into frustration and despair. We cannot sit by while an impetus such as this with its great constructive potential turns itself into something with an equal potential for destruction. I am sure there is no one in this room who does not recognize the opportunities and dangers which we are facing, but we sometimes forget that time slips by even as we talk about what we must do. Debates and studies take time, and the interval between debates and studies usually takes even more time. If we are to meet the challenge of Africa, as we all feel we must, the time to act is now.

¹ For a statement made by Mr. Phillips, see BULLETIN of Mar. 28, 1960, p. 502.

It is not my purpose to point out here the aid which the United States has provided in Africa in the past or to underline the proposals for an increased United States effort in tropical Africa, which the United States Congress is now considering.² Rather, I want to urge a greater international effort toward the solution of Africa's problem of development. We will continue our efforts to provide aid to Africa on a bilateral basis, and we shall continue to coordinate our programs with any corresponding multilateral programs in order that our efforts in this important endeavor might be working together and in one direction. But we feel strongly that increased assistance can and should be made available through the United Nations.

It is in this context that I want to commend warmly the note of the Secretary-General on "Opportunities for International Co-operation on Behalf of Former Trust Territories and Other Newly Independent States" reproduced in document E/3338. It is a carefully and judiciously worked document pregnant with thought and suggestion. The Secretary-General very properly points to tried and proven programs of the U.N. which, if properly used, have a real contribution to make in advancing economic and social progress in Africa as they have done elsewhere. He points to the technical assistance programs of the U.N. financed out of the regular budget. He refers to the Expanded Program of Technical Assistance and to the new Special Fund. He points to OPEX, under which operational, executive, and administrative personnel can be provided.³ I should like to see added to this enumeration the program of advisory social welfare services which may be of special significance in a continent which requires many adjustments in its social patterns and institutions to facilitate economic progress and attain higher levels of living.

All these are programs readymade for action and designed to meet some of the most urgent

² For President Eisenhower's message to Congress on the Mutual Security Program for fiscal year 1961, see *ibid.*, Mar. 7, 1960, p. 369; for a statement by Assistant Secretary Satterthwaite on the program for Africa, see *ibid.*, Apr. 18, 1960, p. 603.

³ The OPEX program, which was approved by the General Assembly in 1958 for an experimental 1-year period, is intended to help requesting governments recruit from outside their country experienced operational, executive, and administrative personnel to work as civil servants on a temporary basis.

needs of the emerging states. Through these and related activities of the U.N. and its associated organizations, studies and surveys can be initiated which will give the new leaders of Africa and all of us a better understanding of their problems and define the most urgent needs and the most promising opportunities for assistance. They are programs which can assist these countries in the development of constructive programs in the economic and social field. They provide for a transfer of technical knowledge and experience and the adjustment of such knowledge and experience to local conditions. They provide for the employment of experts and the training of local personnel at all levels. Of special importance, they offer facilities for improvements in administration and the provision of trained administrative personnel.

All these are basic needs which have to be met in order to attract and make possible the most effective use of sorely needed capital, whether from private sources, from individual governments, groups of governments, or through such multilateral organizations as the IBRD [International Bank for Reconstruction and Development], IFC [International Finance Corporation], and IDA [International Development Association]. In one word, we do not need to cast around for new programs or institutions—we already have the necessary mechanisms to offer effective multilateral aid. What is needed is a strengthening of these programs, a concentration of efforts, and additional money to put these programs to work on the required scale.

Need for Additional Funds

This raises a fundamental point on which there must not remain any equivocation or doubt. It is this: We cannot and must not strip the programs going on in other parts of the world to build up the programs in Africa. We know that in recent years some of the assistance given to countries in Asia and the Far East, in the Middle East, and in Latin America had to be curtailed in order to make available a minimum of assistance to Africa. I have no hesitation in saying that this is an intolerable situation.

What is required now is additional funds. My delegation feels that a special effort should be made to have governments increase their pledges at the next pledging conference in the fall in order that there might be a substantial increase in the

operations in Africa of the Expanded Program and the Special Fund, while at the same time fully maintaining or even increasing the assistance given to other less developed countries. It is not too much to hope that the present figure of about \$72 million pledged to those two programs for 1960 might be increased to \$100 million for 1961, the figure contemplated by the General Assembly in 1957 when it set up the Special Fund. That increase would allow an orderly expansion of the major technical assistance programs of the U.N. and its related organizations to permit an effective attack on the most pressing needs of the newly emerging states of Africa without neglecting the needs of other less developed parts of the world, which we fully realize are also pressing. It would be a clear indication to the countries newly arriving at statehood of the concern for their welfare existing in other countries, particularly within the organization of the U.N., to which they all look for comfort and guidance as well as constructive assistance.

Beyond this the time has come to contemplate possible increases in the funds available under the regular budgets of the U.N. and the specialized agencies. As far as the U.N. goes—and this is our own most immediate responsibility—even relatively small increases in the funds available for the regular technical assistance programs and to OPEX could go a long way in providing needed additional assistance in the economic and social development of Africa.

I am not prepared at this stage to suggest in terms of specific figures the extent to which the regular programs of the U.N. as enumerated might need additional funds. This is a matter of further study which we hope the Secretary-General will undertake prior to the summer session of the Council. I repeat, however, that any increases should be adequate to develop effective programs in Africa while at the same time continuing, if necessary at an accelerated rate, assistance to other less developed parts of the world.

Mr. President, my delegation, in cooperation with the delegation of Sudan, which has become the voice of Africa in this Council, and with the cosponsorship of the delegations of Denmark, Japan, Netherlands, New Zealand, has submitted a resolution which is now before the Council. This resolution follows closely the arguments and suggestions which I have just advanced. It requires

little additional explanation. In its operating part it gives recognition to the special needs of the newly emerging states of Africa and elsewhere and calls for effective assistance within the framework of existing programs of the U.N. and the specialized agencies. It then specifies the several existing programs and available machinery which can and should be used in providing such assistance. It asks the Secretary-General to undertake a more specific examination of these opportunities for international cooperation on behalf of former trust territories and other newly independent states, including an examination of the extent to which additional funds might be required. The Secretary-General is requested to prepare his report, to be submitted to the 30th session of the Council, in consultation with the governments of countries which were formerly under trusteeship and which have become independent; with the executive heads of the specialized agencies, which have a great role to play, I am sure, in the development of adequate assistance; and with such other international governmental and nongovernmental organizations as may be competent to make a contribution to his study.

Without any waste of unnecessary words the resolution addresses itself squarely and without equivocation to problems on which we shall have to reach clear-cut decisions, first at the next session of the Council this summer and later in the General Assembly this fall. I trust that on the basis of the Secretary-General's report this Council will be able to elaborate next July a set of precise recommendations which should enable the General Assembly to act promptly so as to permit technical and related assistance on a scale commensurate with needs.

Mr. President, I trust that all the nations of this great family of nations, and particularly those represented on this Council, will join wholeheartedly in this effort to make sure that those new countries that look to us for sympathy, for encouragement, and for help shall receive more than words in return.

TEXT OF RESOLUTION⁴

The Economic and Social Council,

Having considered General Assembly resolution 1414 (XIV) of 5 December 1959 calling for a study of oppor-

⁴U.N. doc. E/RES/752 (XXIX); adopted unanimously on Apr. 14.

tunities for international co-operation on behalf of the former Trust Territories which have become independent, together with Assembly resolution 1415 (XIV) of 5 December 1959 regarding assistance to territories emerging from a trust status and to newly independent States,

Recognizing that there is an urgent need for international assistance to strengthen the newly-found independence of these countries by sound economic growth and social progress,

Noting the desire of the Economic Commission for Africa, as expressed in its resolution 10 (II) of 5 February 1960, to co-operate with the Secretary-General and the Economic and Social Council in this matter, in view of its terms of reference and of the advantages inherent in the fact that it is situated in the African continent,

Having considered the note by the Secretary-General entitled "Opportunities for international co-operation on behalf of former Trust Territories and other newly independent States",

1. *Takes note with appreciation* of the Secretary-General's observations which form a valuable basis for further consideration of the problem;

2. *Believes* that special efforts need to be made in support of the newly emerging States of Africa and elsewhere to provide without delay effective assistance within the framework of existing programmes of the United Nations and through the specialized agencies;

3. *Expresses the hope*, in accordance with General Assembly resolutions 1382 (XIV), paragraph 5, and 1383 A (XIV), paragraph 5(b), of 20 November 1959, that additional funds will be made available to the Expanded Programme of Technical Assistance and the Special Fund in 1961 and following years to permit a substantial increase in the activities of these programmes in Africa, at the request of former Trust Territories and other newly independent States, while fully maintaining, or increasing, assistance given to other regions under these programmes;

4. *Requests* the Secretary-General, bearing in mind existing bilateral and multilateral aid programmes, to present to the Council at its thirtieth session a report based on a further and more specific examination of the opportunities for international co-operation on behalf of former Trust Territories and other newly independent States, including opportunities offered:

(a) Under the regular assistance programmes, specifically those established by General Assembly resolutions 200 (III) of 4 December 1948 concerning technical assistance for economic development, 723 (VIII) of 23 October 1953 concerning technical assistance in public administration and 1256 (XIII) of 14 November 1958 concerning operational, executive and administrative personnel, and having regard to the possible need for the provision of additional funds in the United Nations regular budget for these purposes;

(b) Under General Assembly resolution 418 (V) of 1 December 1950 regarding advisory social welfare services;

5. *Further requests* the Secretary-General, in preparing the above-mentioned report, to consult the Governments of countries which were formerly under trusteeship and which have become independent, as suggested

in General Assembly resolution 1414 (XIV); the executive heads of the specialized agencies as contemplated under Assembly resolution 1415 (XIV) and as he has indicated at the twenty-ninth session of the Council; and, as appropriate, such other international governmental and non-governmental organizations as may be competent to make a contribution to the study;

6. *Decides* to consider the report of the Secretary-General at its thirtieth session with a view to further action and the submission of its report to the General Assembly at its fifteenth session.

GATT Contracting Parties Convene at Geneva

The Department of State announced on May 15 (press release 263 dated May 13) that problems of major importance for the future development of international trade will confront the 42 countries that participate in the work of the General Agreement on Tariffs and Trade (GATT) when they convene at Geneva on May 16 for their 16th session. Among the more important subjects to be dealt with at the session will be the elimination of quantitative restrictions on imports, the European Free Trade Association, the Latin American Free Trade Association, the avoidance of market disruption caused by sharp increases in imports of particular commodities, and the trade problems of less developed countries.

Charles W. Adair, Jr., Deputy Assistant Secretary of State for Economic Affairs, will be chairman of the U.S. delegation to the session. Walter A. Edwards, Deputy Assistant Secretary of Commerce for Domestic Affairs, will serve as vice chairman, and Alfred Reifman, Assistant Chief of the Commercial Policy and Treaties Division, Department of State, as assistant chairman.¹

The GATT, as the basic instrument regulating commercial relations between the United States and the principal trading nations of the free world, is the cornerstone of U.S. commercial policy. Its provisions are designed to reduce governmental interference with the flow of international trade. The Contracting Parties to the GATT account for more than 80 percent of international trade.

¹ For a list of other members of the U.S. delegation, see press release 263.

During the 16th session the convention of the European Free Trade Association (EFTA), which has recently been ratified by Austria, Denmark, Norway, Portugal, Sweden, Switzerland, and the United Kingdom, will be examined by the Contracting Parties. The U.S. Government, together with other contracting parties, will consider the convention in the light of relevant provisions of the GATT and seek to assure that the convention will be administered in a liberal manner which guarantees equitable treatment to the trade of countries outside the Association.

Another regional market arrangement, the Latin American Free Trade Association, will also be on the agenda for the session. The arrangement was provided for in the treaty of Montevideo, signed February 18, 1960, by representatives of four countries which participate in GATT (Brazil, Chile, Peru, and Uruguay) and three which do not (Argentina, Mexico, and Paraguay). It is expected that the Contracting Parties will hear a preliminary explanation of the Montevideo treaty by the signatory countries and that individual countries will indicate their general reactions to the various aspects of the treaty.

Acting on a suggestion of Under Secretary Dillon, the Contracting Parties decided at their last session, held at Tokyo in November 1959, to study the problem of market disruptions caused by sharp increases of imports over a brief period of time and in a narrow range of commodities.² Mr. Dillon pointed out that the problem is to find the means to ameliorate the adverse effects of an abrupt invasion of established markets while continuing to provide steadily enlarged opportunities for trade. This problem will be considered at the 16th session with the help of a factual report which has been prepared on the subject, including a survey of import restrictions which various countries maintain in order to prevent market disruption.

The GATT Committee on Balance of Payments Restrictions holds several series of consultations each year with those countries which still maintain import restrictions to safeguard their monetary reserves. In these consultations, required by the provisions of the GATT, the Contracting Parties examine quantitative import restrictions still

² For Mr. Dillon's statement and text of a communique issued at the conclusion of the 15th session, see *BULLETIN* of Nov. 16, 1959, p. 703; for a report on the 15th session see *ibid.*, Dec. 7, 1959, p. 843.

in force, their effects, and the prospects for their removal or reduction. The Committee has been an important influence leading to the reduction of quantitative import restrictions, particularly those discriminating against U.S. exports. Consultations are being held before and during the 16th session with Austria, Brazil, Greece, India, South Africa, and Uruguay.

The Contracting Parties will review the reports of the committees which have been studying ways to (1) expand international trade in agricultural commodities and (2) assist the exports of less developed countries. In addition the session will deal with a variety of trade issues, including import restrictions maintained by Italy, Germany, and Belgium; developments within the European Economic Community; reports prepared by panels of experts regarding restrictive business practices, subsidies, state-trading enterprises, antidumping and countervailing duties, and facilities for the temporary admission of professional equipment and packing materials; means for improving the handling of GATT business between the semi-annual sessions; and a number of other matters in the field of international trade.

IBRD Issues Financial Statement for Period Ending March 31

The International Bank for Reconstruction and Development reported on May 5 that its reserves had risen by \$64.7 million in the first 9 months of the current fiscal year to a total of \$484.6 million.

The additions to reserves in the 9-month period ending March 31, 1960, are made up of net earnings of \$44.7 million which were placed in the supplemental reserve against losses on loans and guarantees and loan commissions of \$20 million which were credited to the special reserve. On March 31 the supplemental reserve totaled \$326.7 million and the special reserve was \$157.9 million.

Gross income, exclusive of loan commissions, was \$110.2 million. Expenses totaled \$65.5 million and included \$56.7 million for interest on the Bank's funded debt, bond issuance, and other financial expenses.

During the period the Bank made 22 loans totaling \$554.7 million—in Algeria and Sahara,

Austria, Belgian Congo (3 loans), Chile, Colombia, India (2 loans), Iran (2 loans), Italy, Japan (3 loans), Mauritania, Norway, Pakistan (3 loans), the United Arab Republic, and Uruguay. This brought the total number of loans to 256 in 52 countries and raised the gross total of commitments to \$5,076.6 million.

Disbursements on loans were \$353.9 million, making total disbursements \$3,731.3 million on March 31.

The Bank sold or agreed to sell the equivalent of \$142.8 million principal amounts of loans. At March 31 the total amount of such sales was \$711.3 million, of which all except \$69 million was without the Bank's guarantee.

Repayments of principal received by the Bank amounted to \$55.5 million. Total principal repayments amounted to \$620 million on March 31; this included \$319.7 million repaid to the Bank and \$300.3 million to the purchasers of borrowers' obligations sold by the Bank.

The outstanding funded debt of the Bank amounted to \$2,066.5 million on March 31, 1960, reflecting a net increase of \$161.3 million over the past 9 months. In this period new bond issues and private placements of Bank obligations amounted to the equivalent of \$349.4 million. These consisted of three public issues: a U.S. dollar bond issue in the amount of \$125 million, of which \$27.6 million is subject to delayed delivery, a sterling stock issue in the amount of £10 million (\$28 million), and a Swiss franc bond issue in the amount of Sw Fr 60 million (\$13.9 million); and five private placements of obligations totaling the equivalent of \$182.5 million, including DM200 million (\$47.6 million) of deutsche mark notes which had not been drawn down by March 31. Outstanding debt was increased a further \$28.1 million as a result of the delivery of \$15.4 million of bonds which had been subject to delayed delivery arrangements and through the drawing down of an additional \$12.7 million equivalent from the deutsche mark note of 1958. Funded debt maturing amounted to \$125.8 million, and sinking and purchase fund transactions amounted to \$15.2 million.

Pursuant to the increase in the Bank's authorized capital from \$10 billion to \$21 billion on September 15, 1959, the subscribed capital had been increased to \$18,931.2 million by March 31, 1960.

United States Delegations to International Conferences

International Cotton Advisory Committee

The Department of State announced on May 20 (press release 276) the designation of Thomas C. Mann, Assistant Secretary of State for Economic Affairs, as chairman of the U.S. delegation to the 19th plenary meeting of the International Cotton Advisory Committee, which will convene at Mexico, D.F., May 23. The Department also announced that F. Marion Rhodes, Director, Cotton Division, Commodity Stabilization Service, Department of Agriculture, will serve as vice chairman.

Other members of the delegation include:

Delegate

Edwin Dean White, Associate Director, Office of Food and Agriculture, International Cooperation Administration

Alternate Delegates

Edelen Fogarty, Commodities Division, Office of International Resources, Department of State

George A. Sallee, *secretary of delegation*, Bureau of Foreign Commerce, Department of Commerce

Robert C. Sherman, Director, Cotton Division, Foreign Agricultural Service, Department of Agriculture

Government Advisers

Thomas R. McMullen, Business and Defense Services Administration, Department of Commerce

Burl Stugard, Agricultural Attaché, American Embassy, Mexico, D.F.

Rodney Whitaker, Deputy Director, Cotton Division, Agricultural Marketing Service, Department of Agriculture

Industry Advisers

George C. Cortright, George C. Cortright Co., Rolling Fork, Miss.

Read P. Dunn, Jr., Director of Foreign Trade, National Cotton Council of America, Washington, D.C.

Burris C. Jackson, American Cotton Shippers Association, Hillsboro, Tex.

Donald J. May, American Cotton Manufacturers Institute, Inc., Washington, D.C.

The International Cotton Advisory Committee was established at Washington in 1939 in accordance with a resolution of an international cotton meeting of 12 principal cotton-exporting countries. Its task is to observe developments in the world cotton situation and to suggest, when advisable, to member governments any measures considered suitable and practicable for the furtherance of international collaboration.

TREATY INFORMATION

United States and Nepal Sign Investment Guaranty Agreement

The United States and Nepal signed an investment guaranty agreement at Washington on May 17. Following are a Department announcement and texts of remarks exchanged at the signing ceremony by Acting Secretary of State Douglas Dillon and Gen. Subarna S. J. B. Rana, Deputy Prime Minister of Nepal and Minister of Finance, Planning, and Development.

DEPARTMENT ANNOUNCEMENT

Press release 270 dated May 17

The U.S. Government investment guaranty program, which is designed to encourage new private U.S. investment in newly developing countries, was extended to the Kingdom of Nepal on May 17. The program was extended to Nepal by a formal exchange of notes between Acting Secretary Dillon and Gen. Subarna S. J. B. Rana, Deputy Prime Minister of Nepal and Minister of Finance, Planning, and Development, in a ceremony in the diplomatic reception room of the Department of State.

Under the investment guaranty program, which is administered by the International Cooperation Administration as part of the Mutual Security Program, the United States will now offer three types of guaranties for investment of private U.S. capital in Nepal. These are: (1) guaranty that capital and local currency receipts from such investments will remain convertible into dollars, (2) guaranty against losses from expropriation, and (3) guaranty against losses due to war damage.

The U.S. Government guaranties will be available for new U.S. investments of capital goods, services, patents, and loans which are approved for purposes of ICA guaranty by the Government of Nepal. For this insurance the U.S. investor will pay a premium of one-half of 1 percent per year for each of the three types.

With the addition of Nepal the U.S. investment guaranty program is now available for new pri-

vate investments of U.S. capital in 34 countries. The investment guaranty program is limited by law to investments in underdeveloped countries and areas.

As of March 31, 1960, a total of \$498 million in ICA guaranties had been issued for investments in countries already participating in the program, and applications pending in ICA exceed \$1 billion at the present time.

Inquiries and applications for ICA guaranties should be addressed to the Investment Guaranties Staff, International Cooperation Administration, Washington 25, D.C.

EXCHANGE OF REMARKS

Press release 272 dated May 17

Acting Secretary Dillon

I am very glad to have participated in this signing of the investment guaranty agreement between the United States and Nepal. This is another step in the economic cooperation between our two countries, and I hope and am sure that it will be helpful in the further development of Nepal. It indicates the interest of your Government in the promotion of private investment, and by this and through this agreement the United States Government will be able to extend guaranties against inconvertibility, against expropriation, and against war damage to private investments that take place in Nepal.

This is part of a large program. We have such guaranty agreements now with 34 countries, and they have been successful. And we hope that this as in other cases will help to promote the economic development and prosperity of Nepal.

General Subarna

I am indeed very happy to sign this investment guaranty agreement with the Government of the United States of America on behalf of His Majesty's Government of Nepal. The guaranties which this agreement gives to private American investors will, we hope, help us in attracting private investment in Nepal to a great extent. We feel certain that the industrial climate in our country is one that welcomes private investors and that the specific investment opportunities in the country are many.

We recognize that private enterprise has to play a major role in our economic development. With increasing assistance from your Government and the growing interest of the private investors of this great country I am confident our rate of economic progress will be accelerated.

I take pleasure in saying that economic cooperation between our two countries has been steadily growing. With your Government's assistance we have been able to carry out many of our development programs which have contributed in a substantial measure to the welfare of our people.

We deeply appreciate the help we have received from your Government, and are grateful for it. The agreement just signed is an important step which I do hope will prove very helpful in the economic development of our country. I should like to take this opportunity to thank Mr. Dillon and the United States Government for helping us in attracting private United States investment to our country.

United States and Mexico Conclude Air Talks

Press release 268 dated May 16

The conversations between the Governments of the United States of Mexico and the United States of America, which began on April 26 for the purpose of studying the air transport situation between the two countries, were concluded on May 13, 1960. A full exchange of views took place regarding the terms of an agreement governing air transport services to be provided between the two countries subsequent to the expiration on June 30, 1960, of the existing provisional arrangement.¹

Both delegations offered concrete proposals aimed at a further expansion of the extensive network of air services between the United States and Mexico in view of the geographical position of the two countries and of their cultural and commercial ties. Having completed a detailed examination of various proposals, both delegations agreed to consult their respective Governments to review the progress made during the discussions and obtain further instructions.

¹Treaties and Other International Acts Series 3776, 4099, and 4289.

Current Actions

MULTILATERAL

Trade and Commerce

Declaration on the provisional accession of Tunisia to the General Agreement on Tariffs and Trade. Done at Tokyo November 12, 1959. Effective between Tunisia and any contracting party on 30th day following acceptance, by signature or otherwise, on behalf of Tunisia and of that contracting party. Enters into force for the United States June 15, 1960.

Signatures: Finland, November 20, 1959; Norway, January 20, 1960; Sweden, February 9, 1960; Israel, February 29, 1960; Belgium¹ and France, March 9, 1960; India, March 17, 1960; Austria,¹ March 21, 1960; Tunisia, April 21, 1960; United States, May 16, 1960.

Declaration on relations between contracting parties to the General Agreement on Tariffs and Trade and the Government of the Polish People's Republic. Done at Tokyo November 9, 1959. Enters into force when it has been accepted, by signature or otherwise, by Poland and by two-thirds of the contracting parties.

Signatures: Poland, November 9, 1959; France, November 18, 1959; Finland, November 20, 1959; Norway, January 20, 1960; Sweden, February 9, 1960; Italy, February 11, 1960; Belgium¹ and Israel, February 29, 1960; India, March 17, 1960; United States, May 16, 1960.

BILATERAL

Greece

Agreement approving the procedures for the reciprocal filing of classified patent applications. Effected by exchange of notes at Athens April 26, 1960. Entered into force April 26, 1960.

Iceland

Agreement amending the agricultural commodities agreement of March 3, 1959, as supplemented (TIAS 4185 and 4344). Effected by exchange of notes at Reykjavik May 10, 1960. Entered into force May 10, 1960.

Muscat, Oman, and Dependencies

Treaty of amity, economic relations, and consular rights. Signed at Salalah December 20, 1958.

Ratifications exchanged: May 11, 1960.

Enters into force: June 11, 1960.

Treaty of amity and commerce. Signed at Muscat September 21, 1833. Entered into force June 30, 1834. 8 Stat. 458.

Terminates: June 11, 1960 (replaced by treaty signed at Salalah December 20, 1958, *supra*).

Nepal

Agreement relating to investment guaranties authorized by section 413(b)(4) of the Mutual Security Act of 1954, as amended (68 Stat. 847; 22 U.S.C. 1933). Effected by exchange of notes at Washington May 17, 1960. Entered into force May 17, 1960.

United Kingdom

Agreement regarding the application of the agreement of November 27, 1956, for the establishment of an oceanographic research station in the Turks and Caicos Islands (TIAS 3696). Effected by exchange of notes at Washington May 12, 1960. Entered into force May 12, 1960.

Agreement regarding the application of the agreement of November 1, 1957, for the establishment of ocean-

¹ Subject to ratification.

ographic research stations in the Bahama Islands (TIAS 3927). Effected by exchange of notes at Washington May 12, 1960. Entered into force May 12, 1960.

PUBLICATIONS

Recent Releases

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.

General Agreement on Tariffs and Trade. TIAS 4385. 9 pp. 10¢.

Declaration on relations between contracting parties to agreement of October 30, 1947, and Yugoslavia. Done at Geneva May 25, 1959. Entered into force with respect to the United States of America November 19, 1959.

Status of United States Forces in Lebanon. TIAS 4387. 3 pp. 5¢.

Agreement between the United States of America and Lebanon. Exchange of notes—Dated at Beirut July 31 and August 6, 1958. Entered into force August 6, 1958.

Background of Heads of Government Conference, 1960. Principal Documents, 1955-1959 (With Narrative Summary).

Pub. 6972. International Organization and Conference Series 10. xxxix, 478 pp. \$1.25.

This volume contains documents covering the principal developments leading to the May 1960 Paris Conference, with a narrative summary referring to the meetings held during World War II and reviewing briefly the relations between the Soviet Union and the Western Powers in the early postwar years.

Check List of Department of State Press Releases: May 16-22

Press releases may be obtained from the Office of News, Department of State, Washington 25, D.C.

Releases issued prior to May 16 which appear in this issue of the BULLETIN are Nos. 244 and 246 of May 5, 248 of May 6, and 263 and 264 of May 13.

No.	Date	Subject
268	5/16	Aviation talks with Mexico.
†269	5/17	Mann: statement on 1954 convention on oil pollution of seas.
270	5/17	Investment guaranty agreement with Nepal.
271	5/17	Eisenhower: statement, Paris meeting.
272	5/17	Dillon, Rana: U.S.-Nepal investment guaranty agreement.
†273	5/19	Yugoslav decision on 1948 claims agreement.
274	5/19	NATO communique.
275	5/20	Dillon: Japan-America Society.
276	5/20	Delegation to International Cotton Advisory Committee (rewrite).

†Held for a later issue of the BULLETIN.

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American Republics. The Growing Importance of Educational Exchange in the American Republics (Rubottom) 912

Aviation. United States and Mexico Conclude Air Talks 941

China, Communist. Sino-Soviet Bloc Trade and Its Implications for the United States (Mann) 927

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